REQUEST FOR PROPOSAL (RFP)
DESIGN, BUILD, FINANCE, OPERATE, MAINTAIN AND TRANSFER - AFFORESTATION, REFORESTATION AND REVEGETATION (ARR) PROJECT IN BALOCHISTAN

UNDER

THE BALOCHISTAN PUBLIC PRIVATE PARTNERSHIP ACT, 2021

INTERNATIONAL COMPETITIVE BIDDING

VOLUME I: INSTRUCTIONS TO BIDDERS

The Forest & Wildlife Department, Government of Balochistan
&
Balochistan Public Private Partnership Authority

RFP PUBLISHING DATE:

December 04, 2025

LETTER OF INVITATION

Reference: **DESIGN, BUILD, FINANCE, OPERATE, MAINTAIN AND TRANSFER -AFFORESTATION, REFORESTATION AND REVEGETATION (ARR) PROJECT IN BALOCHISTAN**

The Balochistan Public-Private Partnership Authority (BPPPA), as Implementing Agency, has put forward a proposal to develop and implement the Balochistan Carbon Offset Project and aims to engage a Private Sector Entity (PSE) under Public-Private Partnership (PPP) for a concession period of 46 Years *(01 Year Development and 45 Years O&M period)* with the Balochistan Public-Private Partnership Authority (BPPPA) for the Afforestation, Reforestation and Revegetation (ARR) Project across 34,351 ha of eligible land across the coast of Balochistan in Districts Gwadar and Lasbela. This project will work towards the environmental regeneration and socio-economic uplift across mangrove forests, and generate carbon credits by leveraging the opportunities offered by the global carbon markets. The project marks the first of its kind intervention in Balochistan, Pakistan.

The Implementing Agency invites "Technical Proposals and Financial Proposals" sealed under separate envelopes and enclosed in a single envelope to undertake designing, financing, construction, operation and maintenance of a ARR across 34,351 ha of eligible land across parcels, notably Sonmiani Khor, Jiwani Khor, Kalmat Khor, Sawar Khor, Sahidi Khor, and Shabi and Ankara Creeks (the **"Project"**) in the Districts Gwadar and Lasbela (*Schedule J Site Assessment*). The BPPPA is desirous of undertaking the Project as the implementing agency.

Unless expressly specified otherwise, all capitalized terms used herein shall bear the meaning ascribed thereto in the Glossary of this Request for Proposal.

This Request for Proposal sets out, *inter alia*, the process of selecting a private partner for implementation of the Project.

In this regard, a detailed description of the Project and its objectives are given in (*Terms of Reference*). Bidders are encouraged to carefully review the Project details and local conditions before submitting their Proposals. A Bidder will be selected under Single Stage Two Envelope Procedure described in this Request for Proposal. In order for a Proposal to be evaluated by the Evaluation Committee, the Bidder(s) must meet all of the Basic Eligibility Criteria (*Annexure A*) and Technical Evaluation Criteria (*Annexure B*) requirements stated herein.

The key tentative dates (which may be extended by the Implementing Agency in its sole discretion) of the selection process are as follows:

Issuance of Request for Proposal	
RFP Issuance Date	December 04, 2025
Pre-Bid Conference (Zoom Link): ID: 810 7878 0618 Meeting code: 036564	January 06, 2026 at 12:00 pm PST
Response of comments and queries on Request for Proposal	07 days prior to Proposal Submission Deadline
Submission of Proposal (the **"Proposal Submission Deadline"**)	11:00 AM PST on February 03, 2026
Opening of the Technical Proposals	11:30 AM PST on February 03, 2026
Presentation of Proposals to Evaluation Committee	Ten days from Opening of Technical Proposals
Opening of Financial Proposals	Ten days from Presentation to Evaluation Committee

Announcing the most advantageous Bidder (the Announcement)	Ten days from Opening of Financial Proposal
Issuance of Letter of Award	Within 07 days of announcement of the most advantageous Bidder
Signing of the PPP Agreement	Within 15 days of the issuance of Letter of Award

Note: All times mentioned in this Request for Proposal are in Pakistan Standard Time.

All Bidders who fulfill the Basic Eligibility Criteria as set forth in Annexure A (*Basic Eligibility Criteria*) are requested to submit their Proposals in accordance with this Request for Proposal by no later than 11:00 A.M. by the Proposal Submission Deadline, to:

ATTENTION: The CEO, Balochistan PPP Authority
ADDRESS: 49-A, Jinnah Town, Quetta
TELEPHONE: +92-81-*250 3098*

Technical Proposals shall be opened in the presence of Evaluation Committee at 11:30 A.M. on the Proposal Submission Deadline.

We would like to thank all Bidders for their interest in this Project.

The Chief Executive Officer,
Balochistan PPP Authority.

IMPORTANT NOTICE/DISCLAIMER

This RFP and the attached documents are provided to the recipient solely for use in preparing and submitting its Bid for participation in the competitive bidding process conducted for the purposes of selection of a private partner for the Project.

Unless expressly specified otherwise, all capitalized terms used herein shall bear the meaning ascribed thereto in the Glossary set out in this RFP.

The Bids will be reviewed in accordance with the applicable laws. None of the Government of Balochistan's entities and its relevant stakeholders in the Project (including, *inter alia*, the Procuring Agencies, the Balochistan PPP Authority, Finance Department, and the TFEC) nor, in each case, their employees, personnel, agents, consultants, advisors, legal advisors and contractors *etc.*, make any representation (expressed or implied) as to the accuracy or completeness of the information contained herein, or in any other document made available to any person in connection with the tender process for the Project and the same shall have no liability for this RFP or for any other written or oral communication transmitted to the recipient in the course of the recipient's evaluation of the Project. Neither these entities nor their employees, personnel, agents, consultants, advisors, legal advisors and contractors etc., will be liable in any manner whatsoever to reimburse or compensate the recipient for any costs, fees, damages or expenses incurred by the recipient in evaluating or acting upon this RFP or otherwise in connection with the Project. Any Bid submitted in response to this RFP by any of the Bidders shall be upon the full understanding and agreement of any and all terms of this RFP and such submission shall be deemed as an acceptance to all the terms and conditions stated in this RFP.

Any Bid/response to this RFP submitted by a Bidder shall be construed based on the understanding that the Bidder acknowledges that prior to the submission of the Bid in response to this RFP, the Bidder has, after a complete and careful examination, made an independent evaluation of this RFP including, without any limitation, the scope of the Project, the Project requirements, the applicable standards, applicable laws, and all information provided by the Procuring Agencies or obtained, procured or gathered otherwise, and has determined to its complete satisfaction the accuracy or otherwise thereof and the nature and extent of difficulties, risks and hazards as are likely to arise or may be faced by it in the course of performance of its obligations under the requirements of this RFP. The Procuring Agencies (including its employees, personnel, agents, consultants, advisors and contractors *etc.*) makes no representation whatsoever, express, implicit or otherwise, regarding the accuracy, adequacy, correctness, reliability and/or completeness of any assessment, assumptions, statement or information provided by it and the Bidder shall have no claim whatsoever of any nature against the Procuring Agencies in this regard.

This RFP does not constitute a solicitation to invest, or otherwise participate, in the Project, neither shall it constitute a guarantee on part of the Procuring Agencies that the Project will be awarded.

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VOLUME I:

BIDDING PROCEDURE

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Glossary

Unless expressly specified otherwise, all capitalized terms used in this RFP shall bear the meaning ascribed thereto in this Glossary.

TERM	MEANING
APPLICABLE LAWS	Any common or customary law, constitutional law, any statute, regulation, resolution, rules, ordinance, enactment, judgment, order, code, decree, directive, notification, clarification, guideline, policy, requirement or other government restriction and any decision of or determination by or interpretation of any of the foregoing by any governmental authority, court or Competent Authority having jurisdiction over this Request for Proposal, the Project or the relevant parties (whether at a national, regional, provincial, state or local level) now or hereafter in effect, in each case as amended, re-enacted or replaced.
BASIC ELIGIBILITY CRITERIA	Means the basic eligibility criteria provided in Schedule F of this Request for Proposal.
BID(S)	A bid tendered by a person who is eligible under PPP Act to submit a proposal to undertake a project;
BIDDER	A person or entity; (i) submitting a bid; or (ii) who intends to submit a bid and is able to substantially prove such intention;
BIDDER'S COLLABORATOR	The Bidder, a Member of the Bidder, any of their respective authorized officers, directors, managers, employees, supervisors, contractors, sub-contractors, consultants, advisors, representatives, agents, successors, and respective assigns, and the Bidder's Key Individuals.
BID SECURITY	The security deposit that a Bidder or Lead Member (in case of a consortium) must provide, in the form of a **bank guarantee** issued by a scheduled commercial bank operating in Pakistan acceptable to the Procuring Agencies (with a minimum rating of 'AA-' by JCR VIS or an equivalent rating by PACRA), as applicable. For the bank guarantee, the same shall be in form and substance as attached hereto as **ANNEXURE C** (*Form of Bid Security*). The bid security shall be of an amount, in Pakistani Rupee, equal to **PKR 200,000,000/- (PKR Two Hundred Million only)** which shall remain valid for a period of **180** days beyond the Bid Validity Period.
BID SUBMISSION DATE	The deadline for the Bidders to submit their Bids or any other date specified by the Procuring Agencies by way of addenda or corrigendum.
BID SUBMISSION TIME	Shall bear the meaning as stated in Section 2.1.5.
BID VALIDITY PERIOD	The period of **180** days starting from the opening of the Technical Bids.

TERM	MEANING
BLACK LISTED	Bidder or any member of the Consortium barred from participating in any future procurement proceedings by the GoB or any government entity.
BPPP RULES	The Balochistan PPP Procurement Rules, 2021 (as amended from time to time).
BUSINESS DAY	A reference to a day (other than a Sunday) on which banks in Pakistan are generally open for business.
COMMITMENT FORM	The commitment form, in form and substance as attached to this RFP as **ANNEXURE E** (*Commitment Form*).
COMPETENT AUTHORITY	Any agency, legislative, judicial or executive, department, ministry, public or statutory person, whether autonomous or not, of the GoB or the Government of Pakistan or any other subdivision or instrumentality thereof.
COMPLIANT BID	Any Bid that: (i) meets the eligibility requirements specified in this RFP; (ii) is bound in hard-book binding form to avoid the possibility of removal or insertion of page(s). All pages of the Bid must be signed and stamped in original by the Bidder's authorized representative. All the pages must be numbered starting from the first page to the last. Any Bid not substantially adhering to these requirements may be rejected by the TFEC; and (iii) in the reasonable opinion of the TFEC, meets or surpasses all of the mandatory requirements for a Bid specified in this RFP, and is meeting all criteria and requirements stipulated in this RFP.
CONCESSIONAIRE	The SPV to be established and incorporated under the applicable laws for the purposes of undertaking and implementing the Project by the winning Bidder that, further to this RFP and the final selection process, is declared the Preferred Bidder and is issued the LOA. The Concessionaire shall be the entity that will enter into the PPP Agreement with the Procuring Agencies.
CONFLICT OF INTEREST	Has the meaning given to that term in Section 1.13.1.
CONSORTIUM	A Bidder comprised of a group of two (02) and not more than three (03) enterprises formed to submit a Bid to participate in the bidding process of the Project.
CONSORTIUM AGREEMENT	An agreement between the members of the Consortium, conveying, *inter alia*, the intent to form a

TERM	MEANING
	joint venture SPV with shareholding / ownership equity commitment(s), role of the members of the Consortium, in terms of Section 4.17 of this Request for Proposal.
CONSORTIUM POWER OF ATTORNEY	The power of attorney, to be signed by all the members of the Consortium appointing the Lead Member of the Consortium as the authorized representative of the Consortium, in the form attached as **ANNEXURE D** (*Power of Attorney*) of this RFP.
CONSULTATION AND SELECTION PROCESS/COMPETITIVE SELECTION PROCESS	A process that includes this RFP; consultation with Bidders; attendance at Pre-Bid Meeting; issuance of a draft or revised version(s) of the PPP Agreement; receipt and consideration of comments from Bidders and information provided in response to a request from the Procuring Agencies; evaluation of the proposals submitted in response to this RFP; the selection of a Preferred Bidder; preparation, negotiation, acceptance, or rejection of any proposal; amendment, cancellation, interruption, or termination of the RFP; and execution of the PPP Agreement.
CONTRACT PERIOD	The period commencing from the date of execution of the PPP Agreement and ending on the date falling on the earlier of: (i) 46 years following the Commencement Date; and (ii) Termination of the PPP Agreement.
DEVELOPER	The SPV to be established and incorporated under the laws of Pakistan by the Preferred Bidder for the purposes of implementation of the Project in accordance with this Request for Proposal and PPP Agreement.
FINANCIAL BID	The financial bid to be submitted by the Bidder with its Bid.
INTEGRITY PACT	The instrument entitled *Integrity Pact* as attached to this RFP as **ANNEXURE G** (*Integrity Pact*), duly signed by the Procuring Agencies and the Bidder.
JOINT BIDDING AGREEMENT	In the event a Bidder, for the purposes of this Project, forms a Consortium, an agreement between the members of the Consortium, conveying, *inter alia*, the intent to form a joint venture SPV with shareholding/ownership commitment(s).
KEY INDIVIDUAL	Key personnel required for the Project as listed under **ANNEXURE B** *(Technical Evaluation Criteria)*.
LEAD MEMBER	Any member of the Consortium that leads the Consortium and assumes the lead role to liaise

TERM	MEANING
	between the implementing partners and the Consortium, as appointed pursuant to the Consortium Power of Attorney and the Joint Bidding Agreement.
LETTER OF AWARD (LOA)	Means the Letter of Award issued by the Implementing Agency to the selected Bidder for selection as a Preferred Bidder subject to terms and conditions provided therein.
MEMBER	An enterprise that is part of the Bidder on an exclusive basis.
MOST ADVANTAGEOUS BID	Means a Compliant Bid that fulfils the basic eligibility criteria, technical evaluation criteria (as provided under this RFP), and quotes the **Highest Additional GOB Revenue Share (%).**
NET ASSETS	Equals to total assets minus (-) total liabilities (excluding any revaluation reserve surplus.
PDF COST	The BPPPA has incurred certain costs towards development of this project. The concessionaire is required to reimburse this cost to the BPPPA amounting to PKR 30,000,000/- (Pak Rupees Thirty Million Only) as per the provisions of the Balochistan PPP Act, 2021. The amount shall be paid by the concessionaire during the first 12 months of operations.
PERFORMANCE SECURITY	Means a first demand irrevocable, unconditional and without recourse **bank guarantee**, issued by a scheduled commercial bank in Pakistan (with a minimum credit rating of at least 'AA-' as rated by JCR VIS or an equivalent rating by PACRA) acceptable to the Procuring Agencies, in the form of a bank guarantee, guaranteeing the payment to the Procuring Agencies of an amount as stipulated in the PPP Agreement.
PPP	Public Private Partnership.
PPP ACT	The Balochistan Public Private Partnership Act 2021 (as amended from time to time).
PPP AGREEMENT	The agreement to be executed between, the Implementing Agency and the Developer in pursuance of this Request for Proposal as provided in RFP.
PPP AUTHORITY	The Balochistan Public Private Partnership Authority, Government of Balochistan.
PRE-BID CONFERENCE	The conference(s) relating to the queries raised and clarifications sought by the prospective Bidders (refer *Data Sheet*).
PREFERRED BIDDER	The Bidder that will be declared successful by the TFEC and be selected by the Procuring Agencies pursuant to

TERM	MEANING
	the Competitive Selection Process and in accordance with the terms of this RFP to enter into the PPP Agreement and implement the Project.
PREFERRED BIDDER'S COLLABORATOR	The Preferred Bidder, a Member of the Preferred Bidder, any of their respective authorized officers, directors, managers, employees, supervisors, sub-contractors, consultants, advisors, representatives, agents, successors, and respective assigns, and the Preferred Bidder's Key Individuals.
PROCURING AGENCIES / GOB PARTIES	Balochistan Public Private Partnership Authority and the Forest & Wildlife Department, Government of Balochistan.
PROJECT	Has the meaning ascribed thereto in Section 1.
PROJECT COST	Means the project cost as indicated in the Proposal by the Bidder for the Project.
REQUEST FOR PROPOSAL/RFP	This request for proposal and all volumes, appendices, and addenda thereto, including: • VOLUME 1 – INSTRUCTIONS TO BIDDERS; • VOLUME 2 – TECHNICAL DOCUMENTS AND SCOPE OF WORK AND • VOLUME 3: DRAFT PPP AGREEMENT;
SINGLE STAGE TWO ENVELOPE PROCEDURE	Means the process detailed under Rule 28(a) of the Balochistan Public Private Partnership Rules, 2022.
SPV	Has the meaning given to the term in Section 1.6.6.
STAMP DUTY	The concessionaire is required to pay the stamp duty amounting to 0.25% of the total contract value.
SUCCESS FEE	The Concessionaire is required to pay the success fee to the BPPPA amounting to PKR 5,000,000/- (Pak Rupees Five Million Only) as per the provisions of the Balochistan PPP Act, 2021.
TECHNICAL AND FINANCIAL EVALUATION COMMITTEE/TFEC	The technical and financial evaluation committee formed in accordance with the applicable laws of Pakistan for the purpose of analysing and evaluating the Bids.
TECHNICAL BID	The technical bid submitted by the Bidder in response to this RFP.
TOR	Has the meaning given to that term in Section 1.1.3.

1. INFORMATION FOR BIDDERS

1.1 INTRODUCTION

1.1.1 The 770 Km long Balochistan coastline is home to significant mangrove ecosystems that harbor rich marine resources upon which the country and local livelihoods depend on, mangrove ecosystems are also critical carbon sinks with tremendous potential to sequester emissions and accelerate Pakistan's environmental resilience. This project builds on this premise and aims to harness the opportunities offered by the global carbon markets to develop an Afforestation, Reforestation and Revegetation (ARR) project across 34,351 ha of eligible area for mangrove afforestation on the coasts of Districts Gwadar and Lasbela. This project marks a significant step for Balochistan province to initiate action towards carbon markets to not only ensure environmental security and ecosystem regeneration, but also harness carbon finance for sustainable development and socio-economic upliftment, positioning it as a trailblazer in the field of climate action.

1.1.2 The Project entails major benefits to the GoB in terms of carbon revenue, employment opportunities to local communities and improved socio-economic landscape, creation of revenue generating activities on the coastline, and co-benefits such as environmental resilience and improved health, education, and other basic services.

1.1.3 The Bidder is required to design and implement the ARR carbon market project and the GoB shall provide such land to the Bidder to establish the Project along Balochistan coastline, notably ***Sonmiani Khor, Kalmat Khor, Jiwani Khor, Sawar Khor, Sahidi Khor, Shabi and Ankara Creeks*** **(the "Project Site")** under a public-private partnership. The site assessment of the 06 project locations is attached in **Schedule J (Site Assessment)**.

1.1.4 This Request for Proposal is being issued as a part of the competitive selection process to invite the Bidders to submit the Proposals with the intent to enter into a PPP Agreement for the Project. Further details on the scope of work are available in Schedule H (Scope of Work) of this Request for Proposal.

1.1.5 Bidders are encouraged to submit their respective Proposals after visiting the Balochistan coast, identifying an appropriate Project Site and ascertaining for themselves the site conditions, location, surroundings, climate, availability of power, water and other utilities for construction, access to site, handling and storage of materials, weather data, Applicable Laws of Islamic Republic of Pakistan including but not limited to Balochistan Public Private Partnership Act, 2021, Balochistan Public Private Partnership Rules, 2022, the Balochistan Environment Protection Act 2012, the general and local conditions associated with implementing the Project and any other matter considered relevant by them. All costs related to the visits to the Balochistan coast and for identification of the Project Site shall be solely borne by the Bidders and, regardless of the Proposal and competitive selection process outcome, the Implementing Agency shall not be liable in any manner for any costs incurred as a result of such visit(s).

1.1.6 Any Proposal submitted in response to this Request for Proposal is submitted upon a full understanding and agreement of terms of this Request for Proposal and, therefore, the submission of Proposals in response to this Request for Proposal shall be deemed as acceptance to the said terms.

1.1.7 The recipients of this Request for Proposal are hereby invited to submit the Technical Proposal and the Financial Proposal in respect of the services required for the Project.

1.1.8 The Procuring Agencies intend to engage a private party on Public Private Partnership (PPP) mode.

1.1.9 The recipients of this RFP are hereby invited to submit a Bid in respect of the Project and the services required for the Project.

1.1.10 A brief description of the Project and its objectives are given in this RFP. Details are provided in Section 4 (*Terms of Reference*) (the **"TOR"**).

1.1.11 The Bidders will be given the opportunity to discuss their comments and suggested changes to this RFP and technical specifications of the Project in the Pre-Bid Meeting..

1.1.12 While the information set out, or referred to, or included by reference in this RFP, the Procuring Agencies gives no representation whatsoever that this RFP (or any instrument/document issued hereunder) is comprehensive or that it has been independently verified.

1.1.13 The Procuring Agencies do not make any representation or warranty, express or implied, as to the accuracy or completeness of such information, or any information on which this RFP is based, or any other background or reference information or documents prepared and made available to the Bidders, and any liability related to such information is hereby expressly disclaimed.

1.1.14 Bidders will make an independent assessment of the accuracy and completeness of such information and will have no claim whatsoever against the Procuring Agencies with respect to such information.

1.1.15 Any Bid submitted in response to this RFP is submitted upon a full understanding and agreement of terms of this RFP and, therefore, the submission of Bids in response to this RFP would be deemed as acceptance to the said terms.

1.2 AWARD OF PROJECT

1.2.1 It is anticipated that through the Competitive Selection Process, one (1) of the Bidders will be selected as the Preferred Bidder, who will then be offered the opportunity to incorporate the SPV in terms of this RFP and the LOA, which SPV shall subsequently enter into the PPP Agreement (as the Concessionaire) for the purposes of the Project.

1.2.2 The award of Project shall be made to such Bidder who is compliant with the technical and financial parameters as set out in this RFP.

1.3 INDICATIVE SCHEDULE

The key tentative dates (which may be extended by the Implementing Agency in its sole discretion) of the selection process are as follows:

Issuance of Request for Proposal	
RFP Issuance Date	December 04, 2025
Pre-Bid Conference (Zoom Link): ID: 810 7878 0618 Meeting code: 036564	January 06, 2026 at 12:00 pm PST
Response of comments and queries on Request for Proposal	07 days prior to Proposal Submission Deadline
Submission of Proposal (the **"Proposal Submission Deadline"**)	11:00 AM PST on February 03, 2026
Opening of the Technical Proposals	11:30 AM PST on February 03, 2026
Presentation of Proposals to Evaluation Committee	Ten days from Opening of Technical Proposals
Opening of Financial Proposals	Ten days from Presentation to Evaluation Committee
Announcing the most advantageous Bidder (the Announcement)	Ten days from Opening of Financial Proposal

Issuance of Letter of Award	Within 07 days of announcement of the most advantageous Bidder
Signing of the PPP Agreement	Within 15 days of the issuance of Letter of Award

Note: All times mentioned in this Request for Proposal are in Pakistan Standard Time.

1.4 STRUCTURE OF THIS RFP

1.4.1 This RFP contains the following volumes and their respective appendices and schedules:

(a) VOLUME 1 – INSTRUCTIONS TO BIDDERS.

(b) VOLUME 2 – TECHNICAL DOCUMENTS AND SCOPE OF WORK.

(c) VOLUME 3 – DRAFT PPP AGREEMENT.

1.5 NO OBLIGATION TO SELECT OR PROCEED

1.5.1 Notwithstanding any other section in this RFP, by submission of a Bid by a Bidder, such Bidder and each firm, corporation or individual member of the same, acknowledges and agrees that:

(a) the Procuring Agencies may, at their sole discretion, refuse to consider and completely withdraw from the Consultation and Selection Process; or decide to terminate the entire bidding process, prior to the acceptance of a Bid, without justifying the grounds thereof; or decide to proceed with the Project under a new procurement process (including any new PPP procurement process); or decide to proceed with the Project in some manner other than as a PPP; or reject any Bid that, in the sole opinion of the Procuring Agencies, is incomplete or irregular, contains exceptions or deviations that are unacceptable to the Procuring Agencies, or contains false or misleading statements, claims, or information, or omits any material information that must be submitted under this RFP by a Bidder or a Bidder's Collaborator, or for any other reason whatsoever as per BPP Rules;

(b) the Procuring Agencies' decision with respect to the compliance or non-compliance of a Bid shall be final and binding and that the Procuring Agencies shall in no way be obliged to consult the Bidder in making their decisions; and

(c) any Bid submitted in response to this RFP is submitted upon a full understanding and agreement of the terms related to the aforementioned points (a) and (b) and therefore the submission of the Bids in response to this RFP would be deemed as an acceptance to the aforesaid terms.

1.6 COSTS AND EXPENSES INCURRED BY THE BIDDERS

1.6.1 All costs, expenses and liabilities incurred by any Bidder (including all its Consortium members, as applicable) in connection with the preparation and submission of the Bids, including the provision of any additional information, attendance at meetings, conducting due diligence, engagement of consultants, advisors and contractors *etc.*, and in discussion with the Procuring Agencies shall be, in each case, borne by the Bidders (including all its Consortium members, as applicable).

1.7 DOCUMENTS

1.7.1 Bidders must prepare and submit their Bids in full compliance with the requirements of this RFP together with the submission of the documents, forms and instruments required for submission under this RFP.

1.7.2 Bidders requiring any clarification regarding this RFP and/or any documents/forms and instruments to be submitted pursuant to this RFP must notify the Procuring Agencies, in writing, preferably not later than four (4) Business Days after to the respective Pre-Bid Meeting relating to this RFP matters, as such time period and number of meetings may be extended or amended at the sole discretion of the Procuring Agencies. Any request for clarification in writing, or by email, shall be sent to the Procuring Agencies' address indicated in Section 2 (*Data Sheet*). The Procuring Agencies shall respond in writing or by email to such requests and copies of the response shall be sent to all Bidders.

1.7.3 At any time before the submission of the Bids, the Procuring Agencies may for any reason, whether at its own initiative or in response to a clarification requested by the Bidders, modify any of the documents listed in Section 2 (*Data Sheet*) by amendment. The amendment shall be sent in writing or by email to all the Bidders and shall be binding on them. The Procuring Agencies may, at its sole discretion, extend the deadline for the submission of Bids.

1.7.4 Each Bidder (and in case the Bidder is a Consortium, the Lead Member) shall nominate a representative with whom the Procuring Agencies should liaise and shall provide such representative's details including designation and all relevant contact details. Legal documentation (*e.g.* power of attorney, board resolutions and/or other legally binding authorization) for appointment of the authorized representative of the Bidder (and in case the Bidder is a Consortium, the Lead Member) shall be provided with the Bid.

1.8 **SUBMISSION OF THE BIDS**

(a) Each Bidder shall submit only one (1) Bid including one (01) original Technical Bid and one (1) original Financial Bid and four (4) hard copies of Technical Proposal, along with one (1) soft copy (on USB) of Technical Proposal, as indicated in Section 2 (*Data Sheet*).

Each Bid shall be in a separate envelope indicating the Bid as original or copy clearly marked as "ORIGINAL" and "COPY", as appropriate. The Technical Bid shall be placed in a sealed envelope clearly marked TECHNICAL BID and the Financial Bid in the sealed envelope clearly marked FINANCIAL BID. These two envelopes, in turn, shall be sealed in an outer envelope bearing the address and information indicated in the Data Sheet. The envelope shall be clearly marked: DO NOT OPEN, EXCEPT IN PRESENCE OF THE TECHNICAL AND FINANCIAL EVALUATION COMMITTEE. Any Bidder who submits or participates in more than one (1) Bid will be disqualified.

(b) The original and each copy of the Bid shall be prepared in indelible ink and shall be signed by an authorized representative of the Bidders. The representative's authorization shall be confirmed by a written power of attorney accompanying the Bids.

(c) Each Bid shall be bound in the hard book binding form. All pages of the Bid must be signed and stamped in original by the Bidder's authorized representative. All the pages must be numbered starting from the first page to the last.

ANY BID NOT SUBSTANTIALLY ADHERING TO THESE REQUIREMENTS MAY BE REJECTED BY THE TFEC.

(d) In case of any discrepancy between the original and the copies of the Bid, the original shall prevail.

(e) The Bid shall contain no interlineations or overwriting except as necessary to correct errors made by the Bidders themselves. Any such corrections shall be initialled by the authorized person or persons signing the Bid.

(f) The Bids shall be delivered on or prior to the Bid Submission Date, and the Bids shall be opened in accordance with Section 2.2 (*Opening of Bids*).

(g) The Bids shall be valid for the number of days as stated in this RFP from the date of opening of Technical Bids. During this period, the Bidders shall keep available the professional staff proposed for the assignment.

(h) In case of a Consortium, a Joint Bidding Agreement shall also be submitted by the Bidders, specifically appointing a Lead Member of the Consortium and identifying the roles of each Consortium Member. Following the Bid Submission Date, there shall be no change in the Consortium, by addition/withdrawal of a consortium member or change in percentage shareholding of any consortium member, except as may be permitted under the PPP Agreement.

(i) The Integrity Pact, duly signed by the Procuring Agencies and the Bidders (in case the Bidder is a Consortium, by the Lead Member), shall be submitted.

(j) Either a board resolution or an authority letter, authorising the person(s) signing the Bid on behalf of the Bidder, shall be submitted. In case a Bidder is not a corporate entity, the requisite power of attorney appointing the authorised representative to sign on behalf of the Bidder shall be submitted.

(k) Each Bidder shall provide a Bid Security in a sealed envelope with its Technical Bid and such Bid Security shall be required to be valid for an initial period of Ninety (90) days plus One Eighty (180) days beyond the original Bid Validity Period making it a total of Two Seventy (270) days effective from the date of opening of Technical Bids. The Procuring Agencies may extend such period, at its discretion, in accordance with the applicable laws.

(l) The TFEC will evaluate the Bids to select the Preferred Bidder. The Bidder that, *inter alia*, submits a Compliant Bid which meets all the requirements in this RFP required by the Procuring Agencies for implementing the Project shall be considered, for selection, as the Preferred Bidder.

1.9 FINALIZATION OF THE TRANSACTION

1.9.1 Following completion of the bidding process under this RFP, once the Preferred Bidder is announced, necessary negotiations will take place to finalize the PPP Agreement, provided that such negotiations shall not amend or vary any financial and/or technical aspects on which the Bids are invited. After the Preferred Bidder is selected, the Procuring Agencies shall issue a letter of award (the **"Letter of Award/LOA"**) to the Preferred Bidder, which shall require the Preferred Bidder to accept the LOA in terms of the timelines contemplated in the LOA. Issuance of the LOA shall be subject to the necessary approvals and recommendations of the competent authority(ies).

1.9.2 The Preferred Bidder shall, as a key condition of this RFP and the LOA (subsequent to the issuance of the LOA), procure, *inter alia*, incorporation of a *special purpose vehicle/company* (the **"SPV"**) that shall be a locally registered company incorporated in accordance with the laws of Pakistan and such SPV shall be the Concessionaire for the purposes of the Project. The SPV shall, upon incorporation and finalization of the PPP Agreement, enter into the PPP Agreement (*as the Concessionaire*) for the purposes of the Project. The Concessionaire shall be obligated to replace the Bid Security (prior to the expiry of the Bid Security) with the Performance Security in terms of the LOA and the PPP Agreement. In case the Bid Security expires before the furnishing of the Performance Security, the Bid Security shall be renewed and kept valid by the Preferred Bidder until the Performance Security has been furnished.

1.9.3 The Performance Security shall be submitted by the Concessionaire, subsequent to the issuance of the LOA, which shall be valid from the date of its submission until such date as mentioned in the PPP Agreement.

1.9.4 Should the Bidder refuse to sign the final version of the PPP Agreement with the Procuring Agencies in the agreed-upon form and content, the Procuring Agencies shall be entitled to encash

the full amount of the Bid Security or the Performance Security (as the case maybe) and retain and use the proceeds at its sole discretion.

1.9.5 In the event that the Preferred Bidder fails to provide the Performance Security to the Procuring Agencies sixteen (16) days prior to the expiry of the Bid Security, the Procuring Agencies shall become entitled, fifteen (15) days prior to the expiry of the Bid Security, to encash the Bid Security in full.

1.10 POTENTIAL CHANGES TO OR TERMINATION OF THE CONSULTATION AND SELECTION PROCESS

1.10.1 The Procuring Agencies may, at their sole discretion, at any time, and for any reason whatsoever, without becoming liable to any Bidder or to any other party, by way of addenda, modify, amend, or otherwise change all or any part of the RFP, including by amending the Consultation and Selection Process, by modifying the limits and scope of the Project, by extending any deadline or time limit specified herein, or by suspending, postponing, or terminating all or any part of the Competitive Selection Process. Any addendum shall be issued by the Procuring Agencies in writing and the same will be explicitly identified as an addendum to this RFP.

1.10.2 Without limiting the scope of Section 1.7.1 above, even though the Procuring Agencies intend to name a Preferred Bidder and sign a PPP Agreement, if the Procuring Agencies fails to receive at least one (1) Compliant Bid for which all government approvals (excluding the environmental approbations required) have been obtained, the Procuring Agencies reserves the right to terminate the Competitive Selection Process.

1.10.3 If the Procuring Agencies terminate the Competitive Selection Process, the Procuring Agencies reserves the right to proceed with all or any part of the Project, including the use of some or all of a Bidder's ideas and concepts, based on the approach that the Procuring Agencies considers to be most suitable, which does not exclude the involvement of one or more of the initially selected Preferred Bidder's Collaborators.

1.10.4 In the event that the Procuring Agencies rejects or annuls all the Bids, it may, at its discretion, restart the Competitive Selection Process.

1.10.5 The Procuring Agencies reserves the right to terminate the Competitive Selection Process. The Procuring Agencies shall, upon request by any of the Bidder, communicate to such Bidder, grounds for the cancellation of bidding process, but is not required to justify such grounds.

1.10.6 Any Bid submitted in response to this RFP is submitted upon a full understanding and agreement of terms related to this Section 1.7 (*Potential Changes To Or Termination Of The Consultation and Selection Process*) and, therefore, the submission of Bid in response to this RFP would be deemed as an acceptance to the said terms.

1.11 NO CONTRACT

1.11.1 No contract whatsoever is created by or arises from this RFP (with the exception of the Commitment Form found in **ANNEXURE E** (*Commitment Form*)), which, under no circumstances, constitutes an offer to enter into a contract with any party whatsoever.

1.11.2 The Procuring Agencies and/or the TFEC do not have an obligation, responsibility, commitment, or legal liability towards any Bidder or any Bidder's Collaborators arising from this RFP or any Bid submitted in response to it, or from the Competitive Selection Process.

1.11.3 Any Bid submitted in response to this RFP is submitted upon a full understanding and agreement of terms related to this Section 1.8 (*No Contract*) and therefore the submission of Bid in response to this RFP would be deemed as an acceptance to the said terms.

1.12 NO COLLUSION

1.12.1 By submitting a Bid, the Bidder and each firm, corporation or individual member of the Bidder represents and confirms to Procuring Agencies with the knowledge and intention that Procuring Agencies may rely on such representation and confirmation that its Bid has been prepared without collusion or fraud, and is in fair competition with the other Bidders and the Bid of the other Bidders.

1.12.2 The Procuring Agencies reserve the right to disqualify any Bidder that, in the Procuring Agencies' opinion, has engaged in collusion in connection with the Project.

1.13 PROJECT TEAM

1.13.1 The Procuring Agencies are managing and coordinating activities related to the Competitive Selection Process and matters relating to the same.

1.13.2 The Procuring Agencies have designated a project director who has been mandated to oversee the entire work required to be carried out in respect of the Project.

1.13.3 Any other person or enterprise that has a contract with the Procuring Agencies to work on this Project is ineligible to participate in the Competitive Selection Process, unless specifically exempted by the Procuring Agencies.

1.14 NO CLAIMS

1.14.1 The Procuring Agencies shall not be liable for any claims, whether for costs, expenses, losses or damages, or loss of anticipated profits, or for any other matter whatsoever, incurred by the Bidder or any firm, corporation or individual member of a Bidder, in preparing and submitting a Bid or participating in negotiations for the PPP Agreement or any other activity related to or arising out of this RFP. In furtherance of the foregoing, the Bidder shall participate in the Competitive Selection Process based on a clear understanding that the Procuring Agencies, its entities and its relevant stakeholders in the Project (including, *inter alia*, the PPP Unit, any other department of Government of Balochistan and the TFEC) and, in each case, their employees, personnel, agents, consultants, advisors, legal advisors and contractors etc., stand released from such claims. For avoidance of doubt, the afore-stated release and its acceptance by the Bidders is a pre-condition to participation in the Competitive Selection Process.

1.15 NO CONFLICT

1.15.1 There shall be no conflict of interest (the **"Conflict of Interest"**) of any of the Bidders that affects the Competitive Selection Process. In case a Bidder contemplates any Conflict of Interest, till the issuance of the LOA, the Bidder shall immediately notify the Procuring Agencies in writing of such Conflict of Interest. Moreover, in the event the Procuring Agencies identify any Conflict of Interest through their sources, the Procuring Agencies shall, in their sole discretion, decide whether such conflict constitutes a Conflict of Interest. In case any Bidder is found to have a Conflict of Interest, it shall be disqualified. In the event of disqualification, the Procuring Agencies shall encash and appropriate the Bid Security (submitted by the Bidder in accordance with the terms of this RFP), as mutually agreed genuine pre-estimated compensation and damages payable to the Procuring Agencies for, *inter alia*, the time, cost and effort of the Procuring Agencies, including consideration of such Bidder's Bid, without prejudice to any other right or remedy that may be available to the Procuring Agencies hereunder or otherwise. Without limiting the generality of the above, a Bidder shall be considered to have a Conflict of Interest that affects the Competitive Selection Process, if, *inter alia*:

(a) such Bidder (or any constituent thereof) and any other Bidder (or any constituent thereof) have common controlling shareholders or other ownership interest; provided that this qualification shall not apply in cases where the direct or indirect shareholding in a Bidder,

or a constituent thereof in the other Bidder (s) (or any of its constituents), is less than five percent (5%) of its paid up and subscribed capital; or

(b) a constituent of such Bidder is also a constituent of another Bidder; or

(c) such Bidder receives or has received any direct or indirect subsidy from any other Bidder, or has provided any such subsidy to any other Bidder (other than the subsidy is made to one Bidder, as allowed in subsection (a) above); or

(d) such Bidder has the same legal representative for purposes of the Bid as any other Bidder; or

(e) such Bidder has a relationship with another Bidder, directly or through common third parties, that puts them in a position to have access to each other's information about, or to influence the Bidder of either or each of the other Bidder; or

(f) such Bidder has participated as a consultant to the Procuring Agencies in the preparation of any documents or technical specifications of the Project.

1.15.2 A Bidder shall be liable for disqualification and forfeiture of its Bid Security if any legal, financial or technical adviser of the Procuring Agencies in relation to the Project is engaged by the Bidder in any manner for matters related to or incidental to the Project during the Competitive Selection Process. In the event any such adviser is engaged by the Preferred Bidder or the Concessionaire, as the case may be, without prejudice to any other right or remedy of the Procuring Agencies (including the encashment and appropriation of the Bid Security or the Performance Security, as the case may be) which the Procuring Agencies may have thereunder or otherwise, the LOA or the PPP Agreement, as the case may be, shall be liable to be terminated without the Procuring Agencies being liable, in any manner whatsoever, to the Preferred Bidder or Concessionaire for the same.

1.15.3 The Procuring Agencies reserve the right to disqualify any Bidder that in the Procuring Agencies' opinion has a Conflict of Interest, whether such conflict exists now or is likely to arise in the future.

Any Bid submitted in response to this RFP is submitted upon a full understanding and agreement of terms related to this Section 1.13 (*No Conflict*) and therefore the submission of a Bid in response to this RFP would be deemed as an acceptance to the said terms.

1.16 ONLY ONE PROPOSAL

1.16.1 A Bidder shall only submit one (1) Proposal including any Proposal submitted by a Bidder with a Consortium. If a Bidder submits or participates in more than one (1) Proposal, such Bidder shall be disqualified.

2 BIDDING PROCEDURE AND DETAILS

2.1 INFORMATION FOR BIDDERS

2.1.1 THE ASSIGNMENT

The 770 Km long Balochistan coastline is home to significant mangrove ecosystems that harbor rich marine resources upon which the country and local livelihoods depend on, mangrove ecosystems are also critical carbon sinks with tremendous potential to sequester emissions and accelerate Pakistan's environmental resilience. This project builds on this premise and aims to harness the opportunities offered by the global carbon markets to develop an Afforestation, Reforestation and Revegetation (ARR) project across 34,351 ha of eligible area for mangrove afforestation on the coasts of Districts Gwadar and Lasbela. This project marks a significant step for Balochistan province to initiate action towards carbon markets to not only ensure environmental security and ecosystem regeneration, but also harness carbon finance for sustainable development and socio-economic upliftment, positioning it as a trailblazer in the field of climate action.

The Project entails major benefits to the GoB in terms of carbon revenue, significant return on capital invested, employment opportunities to local communities and improved socio-economic landscape, creation of revenue generating activities on the coastline, and co-benefits such as environmental resilience and improved health, education, and other basic services.

The Bidder is required to design and implement the ARR carbon market project and the GoB shall provide such land to the Bidder to establish the Project along Balochistan coastline, notably Sonmiani Khor, Kalmat Khor, Jiwani Khor, Sawar Khor, Sahidi Khor, Shabi and Ankara Creeks (the "Project Site") under a public-private partnership. The site assessment of the 06 project locations is attached in Schedule J (Site Assessment).

2.1.2 PROJECT TENOR

In addition to the matters set out in this RFP, it is currently envisaged that the term of the Project will be for forty five (45) years (O&M Period), further extendable for additional term(s) of forty five (45) years (O&M Period) each subject to satisfactory performance of the Concessionaire in accordance with terms and conditions defined in the final PPP Agreement.

Following the expiry of the Project term, possession of the Project related assets shall be transferred to the Procuring Agencies. The Project shall be structured pursuant to the PPP Agreement, to be entered into between the Procuring Agencies and the Concessionaire (being the SPV to be established and incorporated under the laws of Pakistan for the purposes of the Project by the enterprise or the Consortium that, further to this RFP and the final selection process, is declared the Preferred Bidder and is issued the LOA). The Project will be awarded through a Competitive Selection Process open to Bidders.

Any other errors or omissions in a Bid will not result in its automatic rejection. The TFEC reserves the right to ask Bidders to correct any errors or omissions in their Bid, to the TFEC's satisfaction, within the time limits specified in the request. However, under no circumstances can Bidders amend the Financial Bid as a result of clarifying or rectifying their Bid.

2.1.3 QUERIES AND CLARIFICATIONS

(a) Queries and clarifications relating to the technical matters, matters relating to this RFP and financial matters, shall reach at least seven (07) Business Days prior to bid opening date, as such time period and number of meetings may be extended or amended at the sole discretion of the Procuring Agencies.

(b) All such queries and clarification bearing reference of the Project shall be sent on email.

(c) The Bidders are requested to submit any substantive questions in writing or through fax or email to reach the Procuring Agencies, unless otherwise permitted by Procuring Agencies in their sole and absolute discretion, preferably not later than four (4) Business Days prior to bid openings date.

(d) It shall be assumed by the Procuring Agencies that all the queries, comments and concerns of the Bidders have been addressed and answered post email response. Furthermore, any Bid submitted in response to this RFP is submitted upon a full understanding and agreement of terms related to this Section 2.1.3 and, therefore, the submission of Bids in response to this RFP would be deemed as an acceptance to the said terms.

2.1.4 LANGUAGE

The Proposal as well as all related correspondence exchanged by the Bidders and the Implementing Agency shall be written in English.

2.1.5 PROJECT LIAISON

The contact details for the primary persons designated for this RFP are:

TO	:	CEO, BPPPA
ATTENTION	:	DIRECTOR PROJECT, BALOCHISTAN PPP AUTHORITY
PHONE	:	+92-81-*250 3098*
ADDRESS	:	49-A, JINNAH TOWN, QUETTA.

2.1.6 BID SUBMISSION: TIME AND PLACE OF DELIVERY

All Bids shall be submitted in a sealed envelope no later than **11:00** A.M.(Pakistan Standard Time) on the Bid Submission Date (the **"Bid Submission Time"**) to the following address and marked for the attention of:

ATTENTION	:	CEO, BPPPA
ADDRESS	:	49-A, JINNAH TOWN, QUETTA.
TELEPHONE	:	+92-81-*250 3098*

2.1.7 Bids received after the Bid Submission Time shall be returned to the sender unopened. Bidders are responsible for ensuring that their Bids are submitted at the time and place specified in Section 2.1.5 (*Bid Submission: Time and Place of Delivery*).

2.1.8 The sealed envelope shall include one (1) original Technical Bid and four (04) hard copies, with one soft copy of Technical Proposal (on USB) and shall also include additional relevant supporting documents and forms, as identified in this RFP and as per the guidelines given in Section 2 (*Data Sheet*).

2.2 OPENING OF THE BIDS

2.2.1 The Procuring Agencies will open the Bids at the Committee Room of the BPPPA, Bungalow No. 49 - A, Jinnah Town, off Samungli Road, Quetta, in the presence of Bidders or their authorized representatives who choose to attend, at a Bid opening meeting. The Bidder representatives who are present shall sign a register in evidence of their attendance.

2.2.2 The Technical Proposals will be opened on the Bid Submission Date at the address mentioned above at **11:30** A.M. PST.

2.3 TECHNICAL AND FINANCIAL EVALUATION COMMITTEE (TFEC)

2.3.1 The Bids will be reviewed by a TFEC constituted in accordance with the applicable laws and the requirements set out in this RFP. The TFEC will select such Bidder as the Preferred Bidder who has submitted a Compliant Bid, in addition has met the eligibility criteria and the technical evaluation criteria and has offered the Most Advantageous Bid based on the financial evaluation criteria set out in this RFP.

2.4 BID EVALUATION PROCESS

2.4.1 The examination and review of the Bids shall commence after the opening of Bids. The Bids shall be evaluated based on the criteria set out in this RFP.

2.4.2 Any Bid submitted in response to this RFP is submitted upon a full understanding and agreement of terms of this Section 2.4 (*Bid Evaluation Process*) and, therefore, the submission of Bids in response to this RFP would be deemed as an acceptance to the said terms.

2.5 EVALUATION CRITERIA

2.5.1 The TFEC shall carry out its review and examination of the Bids submitted by Bidders.

2.5.2 The Bid must be submitted at the place and by the deadline specified in Section 2.1.5 (*Bid Submission: Time and Place of Delivery*).

2.5.3 The Commitment Form, with no amendments or changes thereto, must be signed by the Bidder and its Members.

2.5.4 Duly passed resolutions giving the representative of the Bidders (and each of its Members, in case of a Consortium) signing authority must accompany the Bid. In case a Bidder is not a corporate entity, the requisite power of attorney appointing the authorised representative to sign on behalf of the Bidder shall be provided.

2.5.5 The declaration, in form and substance attached hereto as **ANNEXURE F** (*Declaration*), with no amendments or changes thereto, must be signed by the Bidders and their Members.

2.5.6 Further, the Integrity Pact, identical in form and content to the one found in **ANNEXURE G** (*Integrity Pact*), with no amendments or changes thereto, must be signed by the Bidder.

2.5.7 COMMERCIAL COMPLIANCE

(a) In case the Bidder is a Consortium, once the Bid is submitted, such Bidder must be bound by the Joint Bidding Agreement.

(b) Key Individuals who are not employees of the Bidder or of a Member of the Bidder must complete and sign the Commitment Form as provided in **Annexure E** (*Commitment Form*), with no amendments or changes thereto.

(c) Bid must not be conditional.

2.5.8 A Bid submitted in response to this RFP by a Bidder shall contain *inter alia*, the following:

(a) The information specified in Section 3 (*Standard Bid Forms*).

(b) A Technical Bid meeting the requirements set out under this RFP.

(c) A Financial Bid meeting the requirements set out under this RFP.

2.5.9 SCORING CRITERIA – TECHNICAL EVALUATION OF BID

(a) The Bid of only those Bidders shall be considered who meet the Basic Eligibility Criteria set forth in **ANNEXURE A** (*Basic Eligibility Criteria*) of this RFP.

(b) The TFEC shall carry out its evaluation, applying the evaluation criteria and point system specified in this RFP. Each responsive Technical Bid shall be attributed to a score out of a total of one hundred (100) points.

(c) After complete evaluation of the Technical Bids, the Financial Bids of the Bidders, who have been qualified technically, shall be opened and evaluated. This qualification shall be based on the Bidder achieving a technical score, equal or higher than seventy (70) points.

(d) Technical Bids scoring less than seventy percent (70%) points shall be rejected.

The detailed evaluation criteria is set out in **ANNEXURE B** (*Technical Evaluation Criteria*) below.

2.5.10 FINANCIAL EVALUATION:

(a) The TFEC will select such technically qualified Bidder as the PREFERRED BIDDER, who has the Most Advantageous Bid in accordance with the requirements of this RFP.

2.6 OTHER CONSIDERATIONS

2.6.1 The Bids must not be qualified, in any way whatsoever, apart from as allowed under this RFP and must be submitted strictly in accordance with this RFP.

2.6.2 All Bids and other supporting documents shall be typed in the English language and state all monetary amounts in Pakistan Rupees (PKR).

2.6.3 The Bids must be signed by the authorized signatory of each of the Bidders and where applicable, each Consortium member, signing under a power of attorney, substantially in the form specified in **ANNEXURE D** (*Power of Attorney*), a copy of which is to be provided with the Bids.

2.6.4 The Bid submitted in response to this RFP must also accompany a board resolution or an authority letter, authorising the person(s) signing the Bid documents on behalf of the Bidder. In case the Bidder is not a corporate entity, the requisite power of attorney appointing the authorised representative on behalf of the Bidder to sign the Bid documents shall be provided.

2.7 CLARIFICATION OF BIDS

2.7.1 The TFEC may, at its discretion, during the evaluation after the Bid Submission Date, invite a Bidder to provide a presentation and/or clarification of its Bid, either in writing or by meeting directly with the TFEC. The TFEC is not required to invite any such presentation and/or clarification, or to have a meeting with any Bidder, and the TFEC may, at its discretion, invite such presentations or clarifications from only one (1) or some of the Bidders. The TFEC may consider such presentations and clarifications in the evaluation of a Bid.

2.7.2 Except upon invitation and request from the TFEC, no additional information may be submitted after the Bid Submission Date. The TFEC will have no obligation to request a Bidder to provide missing or deficient information.

2.7.3 Any Bids submitted in response to this RFP is submitted upon a full understanding and agreement of terms of this Section 2.7 (*Clarification of Bids*) and, therefore, the submission of Bids in response to this RFP would be deemed as an acceptance to the said terms.

2.8 SELECTION OF PREFERRED BIDDER

2.8.1 The TFEC will make the selection of the Preferred Bidder in accordance with the terms of this RFP.

2.8.2 Any Bid submitted in response to this RFP is submitted upon a full understanding and agreement of terms of this Section 2.8 (*Selection Of Preferred Bidder*) and, therefore, the submission of Bids in response to this RFP would be deemed as an acceptance to the aforesaid terms.

2.9 RIGHT TO NEGOTIATE

2.9.1 Subject to the requirement of the applicable laws, BPPP Rules and the PPP Act, after selection of the Preferred Bidder, the Procuring Agencies reserve the right to negotiate changes to the Bid or to any of the terms of the PPP Agreement, provided however, the Preferred Bidder will not be entitled to initiate changes to its Bid except voluntarily discounts, or to the PPP Agreement.

2.9.2 Any Bids submitted in response to this RFP is submitted upon a full understanding and agreement of terms of this Section 2.9 (*Right to Negotiate*), and the terms of this RFP and, therefore, the submission of Bid in response to this RFP would be deemed as an acceptance to the aforesaid terms.

3.1 INFORMATION CONCERNING THE BIDDER

3.1.1 DESCRIPTION OF THE BIDDER

Each Bidder must provide the following information:

(a) A detailed description of the Bidder, including:

(i) legal name;

(ii) complete head office/branch office/subsidiary contact information, including mailing address, telephone and fax numbers, and an e-mail address; and

(iii) incorporation details, including corporate charter, articles of incorporation, and proof of legal authorization to operate in Pakistan. If the Bidder is an unincorporated legal entity, then the proof of that legal entity's existence must be provided.

(b) In case of a Consortium, the members of the Consortium shall enter into a binding Joint Bidding Agreement for the purpose of submitting the Bid. The legally binding and enforceable Consortium Agreement between each Consortium Member shall include, at a minimum, the following representations, undertakings, terms, conditions and requirements:

(i) mention date and place of signing;

(ii) convey the intent to form an SPV (with shareholding/ownership commitment(s)) which would enter into the PPP Agreement and subsequently perform all the obligations of the Concessionaire in terms of the PPP Agreement, in case the Project is awarded to the Consortium;

(iii) Specify the designated Lead Member, nominated by the Consortium, as its representative and clearly outline the proposed roles and responsibilities, if any, of each member (including each Member). Mention delineation of duties, responsibilities and scope of work to be undertaken by each Member along with resources committed by each partner/member of the Consortium for the proposed services;

(iv) Each Consortium Member shall authorise the Lead Member to sign and submit the Bid on its behalf and participate in the Bidding Process.

(v) The proportion of the Ownership Stake in the SPV to be held by each Consortium Member in the SPV.

(vi) commit that all of the Members (whose credentials will be evaluated for the purposes of this RFP) shall subscribe to a cumulative of one hundred percent (100%) of the paid-up capital of the Concessionaire. The Lead Member shall undertake, and all Consortium Members shall confirm, that the Lead Member shall maintain a minimum of fifty-one percent (51%) Ownership Stake in SPV. Further, it shall also commit that the members of the Consortium shall neither undertake nor shall they permit: (A) a change in the Consortium, by addition/withdrawal of a consortium member or change in percentage shareholding of any consortium member, except as may be permitted under the PPP Agreement; (B) any change in control of the Concessionaire except as permitted under the PPP Agreement. Further, it shall also commit that no member of the Consortium shall, express with the prior written consent of the

Procuring Agencies, sell, transfer, convey or otherwise dispose its direct and/or indirect, legal and/or beneficial ownership in the Concessionaire;

(vii) The other Consortium Members should hold at least ten percent (10%) Ownership Stake in the SPV and there cannot be more than three (3) Consortium Members in a Consortium.

(viii) Confirmation that the terms of the Consortium Agreement shall not be changed, amended or modified in any manner during the Bidding Process without prior consent of the Procuring Agencies, provided that no such change shall impact the minimum requirements set out in the RFP.

(ix) mention duties, responsibilities and powers of the Lead Member;

(x) provide for the members of the Consortium to undertake that they shall collectively submit/include a statement to the effect that all members of the Consortium shall be liable, jointly and severally, for all obligations of the Concessionaire in relation to the Project; and

(xi) except as provided under this RFP, there shall not be any amendment to the Joint Bidding/Consortium Agreement without the prior written consent of the Procuring Agencies.

(c) In case of a single Bidder (not being a Consortium), it must provide with an undertaking that it shall be liable for all obligations of the Concessionaire in relation to the Project. Further, in case of a single Bidder, the Bidder shall neither undertake nor shall it permit any change in control of the Concessionaire. Further, in case of a single Bidder (not a Consortium), the Bidder shall not, except with the prior written consent of the Procuring Agencies, sell, transfer, convey or otherwise dispose its direct and/or indirect, legal and/or beneficial ownership in the Concessionaire.

(d) Annual audited financial statements for the past three (03) years audited by registered audit firm in the relevant jurisdiction, or tax returns of past three (03) years, if applicable must be provided by each Member of the Bidder.

(e) Complete profile of the Bidder, including all the previous transactions it has undertaken in the similar field, particularly highlighting all such projects involving and/or undertaken for the Procuring Agencies by the Bidder in any manner whatsoever.

(f) In case, after Bid Submission Date, a Bidder requests the Procuring Agencies to amend any part of the Bid, including but not limited to, change in Joint Bidding Agreement, which is not accepted by the Procuring Agencies/TFEC or acceptable by Procuring Agencies /TFEC according to this RFP and/or the applicable laws, in such case, the Bid may be deemed withdrawn by the Procuring Agencies, within the time period as stipulated in the correspondence between the Procuring Agencies and such Bidder. The Bid Security of such Bidder shall be forfeited in favour of the Procuring Agencies.

3.1.2 ROLES OF MEMBERS

Each Bidder must describe in detail the individual roles of their Members, as well as the nature of their planned legal relationships between them. They must also produce a complete corporate organizational chart depicting interrelationships.

3.1.3 ROLE OF KEY INDIVIDUALS

The Bidder must describe in detail the roles of Key Individuals by drawing up one or more organizational charts for the various stages indicating each person's function and relationships during these stages, including the roles of Key Individuals.

3.1.4 **INTELLECTUAL PROPERTY RIGHTS**

The Bidder must provide a list of intellectual property rights together with the assignments and transfers and the licenses of intellectual property rights for all concepts, ideas and property developed or incorporated, in any manner, in the Bid, including copyright, inventions and other intellectual property rights and in respect of which it is or is not the owner of the intellectual property rights.

3.1.5 **SUPPORTING INFORMATION & DOCUMENTATION**

Each Bidder may submit any other supporting information or documentation that may assist the TFEC in the evaluation process and the same may be annexed to the Bid.

3.2 BID SECURITY

3.2.1 A Bid submitted in response to this RFP, submitted by the Lead Member in case of consortium, must be accompanied by a Bid Security, which shall remain valid for a period of One Hundred Eighty (180) days beyond the Bid Validity Period.

3.2.2 The Bid Security submitted by the Bidders, other than Preferred Bidder, shall be returned upon signing of the PPP Agreement or upon the expiry of the Bid Validity Period.

3.2.3 Any Bid not accompanied by the required Bid Security or accompanied by a Bid Security in any amount less than that required or other than in the form as required by this RFP shall be, in each case, rejected by the Procuring Agencies as non-responsive. It is further clarified that no Bid Security in the form of insurance guarantee shall be entertained.

3.2.4 The Bid Security or Performance Security (as applicable) may be encashed by the Procuring Agencies in the following circumstances:

(a) In the case of a Preferred Bidder, if it fails within the specified times to:

(i) comply with the instructions laid down in the Letter of Award within the time period stipulated therein;

(ii) furnish the necessary Performance Security when required;

(iii) sign the PPP Agreement; and

(iv) achieve all the conditions precedents agreed in the signed PPP Agreement.

(b) In the case of a Preferred Bidder, in accordance with the PPP Agreement;

(c) In case a Bidder withdraws its Bid after the Bid Submission Date;

(d) In case of an occurrence of a Concessionaire's event of default in terms of the PPP Agreement.

3.3 INFORMATION CONCERNING THE DEVELOPMENT OF THE TECHNICAL BID

3.3.1 Bids submitted by a Bidder must contain all of the items specified in this RFP (including Section 3.5 (*List Of Standard Bid Technical Forms*)) and must adhere to the format described herein. In addition, Bidders must ensure that their Technical Bid is consistent with their Financial Bid.

3.3.2 The Technical Bid will provide the Procuring Agencies with the means for assessing the Bidder's ability to comply with the Project requirements issued in this RFP.

3.4 FORMAT OF FINANCIAL BID

3.4.1 The Financial Bid shall be provided in accordance with the format attached as Form H - 8 *(Financial Bid Form)* on the Bid Submission Date.

3.4.2 Under no circumstances shall the Procuring Agencies consider/accept a conditional Bid.

3.5 LIST OF STANDARD BID TECHNICAL FORMS

The standard forms for the Technical Bid are provided in **Annexure H** (*Technical Form*).

FORM – H-1	BASIC INFORMATION FORM;
FORM – H-2	HISTORICAL NON-PERFORMANCE, BLACK LISTING AND PENDING LITIGATION;
FORM – H-3	FINANCIAL SITUATION;
FORM – H-4	CURRENT CONTRACT COMMITMENTS/WORKS IN PROGRESS;
FORM – H-5	DETAILS OF CONTRACTS OF SIMILAR NATURE AND COMPLEXITY COMPLETED;
FORM – H-6	CVS OF PROPOSED EXPERTS;
FORM – H-7	DESCRIPTION OF APPROACH, METHODOLOGY AND WORK PLAN
FORM – H-8	FINANCIAL BID FORM

Any additional information that may be necessary for the Bid.

4 TERMS OF REFERENCE

4.1 PROJECT TERM AND PARTIES

4.1.1 PARTIES

The PPP Agreement will establish the rights and obligations of both the Procuring Agencies and the Concessionaire. It will be signed between the Procuring Agencies and the Concessionaire at the conclusion of the Competitive Selection Process.

4.1.2 TERM

The term of the PPP Agreement will, unless specified otherwise agreed in the PPP Agreement, be for forty five (45) years (O&M Period), further extendable for additional term(s) subject to satisfactory performance of the Concessionaire in accordance with terms and conditions defined in the final PPP Agreement.

4.2 OWNERSHIP

The Concessionaire shall enjoy the licensing for the designated Project tenure but not the ownership of the Project and related assets will always remain with the Procuring Agencies at all times (prior to, during, and after the Project timelines).

4.3 PROJECT SCOPE

The Project details and scope of the work of the Concessionaire is provided in this RFP (*Project Details and Scope of Work*).

4.3.1 PROJECT COST

(a) The Bidder agrees that if, further to this RFP and the Competitive Selection Process, it is declared the Preferred Bidder and is issued the LOA, it shall incorporate the SPV for the purposes of being the Concessionaire, which who will implement the Project. Such Preferred Bidder, as proposed in the Bid shall maintain its shareholding in the Concessionaire in accordance with the requirements of the PPP Agreement which shall be in accordance with the Bid.

4.3.2 HAND-OVER OF THE PROJECT

The Concessionaire will be responsible for handing over the Project to the Procuring Agencies in a good working condition, at the end of the Project term, as specified in the PPP Agreement.

4.4 ALLOCATION OF RISKS AND RESPONSIBILITIES

4.4.1 All risks and obligations of the Procuring Agencies and the Concessionaire shall be in accordance with the PPP Agreement and the Bidders shall be deemed to have full and complete understanding of the risks relating to the Project and their allocation, as set out in the PPP Agreement.

4.5 SPECIFIC TAXATION FRAMEWORK

4.5.1 The Concessionaire shall be liable to pay federal, provincial and local taxes, duties, levies and other charges with respect to the Project.

4.5.2 By submitting the Bid, the Bidder acknowledges the acceptance of all tax related obligations. For the sake of clarity, the Concessionaire shall be required to pay all the taxes, duties, levies, stamp

duties, rents, and other charges payable to any local government, provincial or federal government (as applicable).

4.6 ENVIRONMENTAL MATTERS

4.6.1 The Procuring Agencies are committed to respecting the environment on all of its projects. The Concessionaire will be required to ensure that the Project is carried out in accordance with all applicable laws relating to the environment.

4.7 KEY PERFORMANCE INDICATORS (KPIS)

4.7.1 The KPIs related to the operations, maintenance and availability of the Project will be incorporated in the PPP Agreement.

5 Evaluation of Bids

5.1 Evaluation Criteria

5.1.1 Bids of only those Bidders shall be considered who meet the basic eligibility criteria.

5.1.2 In addition, the Bidders shall be evaluated against the evaluation criteria for the Technical Proposals and the Financial Proposals set out in respective Sections of the RFP.

5.1.3 The Evaluation Committee shall attribute a technical score to responsive Technical Proposals.

5.1.4 Technical Proposals scoring less than seventy (70) points shall be rejected. The technical score shall be calculated as follows:

SR. NO.	Criteria	Weightage/ Marks
A.	Human Resource and Staffing Requirements	10
B.	Technical Experience – Prior Experience	35
C.	Financial Capability	35
D.	Project Development Experience	15
E.	Business Approach and Methodology	05
	Total	**100**

For technical qualification, a Bidder must score at least seventy (70) or more marks. The detailed technical evaluation criteria for Technical Proposal is set out in relevant section of the RFP.

5.1.5 After complete evaluation of the Technical Proposals, the Financial Proposals of the Bidders, who have been qualified technically, shall be evaluated as per the requirements set out in Volume I (*Bidding Procedure*) of the RFP.

5.2 Successful Bidder

5.2.1 The Bidder who secures the highest marks based on the financial evaluation criteria, and whose Bid is determined to be the Best Evaluated Bid in terms of the Applicable Evaluation Documents, shall be declared the Successful Bidder.

5.2.2 In the event it is determined that the highest marks scored based on the financial evaluation criteria by Bidders are achieved by two (2) or more Bidders, the Bidder (among such tied Bidders) who secured higher marks based on the technical evaluation criteria and whose Bid is determined to be the Best Evaluated Bid in terms of the Applicable Evaluation Documents, shall be declared the Successful Bidder.

5.3 Evaluation Committee Right to Verify Documents

5.3.1 The Evaluation Committee retains the right to verify particulars regarding any information, statements and/or documents furnished with a Bid. Any Bidder found to be misrepresenting information may be disqualified at any stage of the Bidding Process and their Bid Security shall be forfeited.

6. Award of Concession

6.1 AWARD CRITERIA

6.1.1 The Evaluation Committee, subject to approval by the Executive Committee, shall award the Concession to the Bidder whose Bid has been determined to be the Best Evaluated Bid in terms of the requirements of the Applicable Evaluation Documents, provided that such Bidder continues to be eligible in accordance with the requirements set out in the Annexure A (*Basic Eligibility Criteria*) of Part 4 (*Annexures*) of Volume I (*Bidding Procedure*) of the RFP.

6.2 PROCURING AGENCIES RIGHT TO ACCEPT / REJECT BIDS

6.2.1 No Bid shall be considered to have been accepted, unless such acceptance is confirmed in writing and notified to the Successful Bidder by the Procuring Agencies.

6.2.2 The Procuring Agencies reserves the right to annul the Bidding Process and reject all Bids at any time prior to the issuance of the Notification of Award, without thereby incurring any liability to Bidders or providing any reason for rejection of the Bids. In case of such annulment, all the Bid Securities, shall be promptly returned to the Bidders. The decision of the Procuring Agencies shall be final and binding and no correspondence shall be entered into with the Bidders, except as provided in the Applicable Evaluation Documents.

6.2.3 The Procuring Agencies shall not be responsible for, or pay for, any expenses or losses which may be incurred by any Bidder in the preparation of, or in connection with, its Bid.

6.2.4 Each Bidder fully waives off any and all rights to claim in respect of such expenses or losses and agrees to indemnify the Procuring Agencies, its affiliates and their advisors fully in respect of any direct or indirect losses, damages, costs or expenses of any kind incurred by any of them.

6.3 NOTIFICATION OF AWARD

6.3.1 Prior to expiration of the Bid Validity Period, the Procuring Agencies shall notify the Successful Bidder through the Notification of Award that its Bid has been accepted.

6.3.2 The Successful Bidder shall acknowledge and return the Notification of Award with its acceptance (the "**Acceptance of Notification of Award**") within seven (7) days of the issuance of Notification of Award, failure of which may constitute sufficient grounds for the annulment of the award and forfeiture of its Bid Security.

6.4 FORMATION OF SPV BY THE SUCCESSFUL BIDDER

6.4.1 The Successful Bidder shall incorporate a wholly owned SPV (i.e., the Concessionaire) that shall be incorporated in accordance with the laws of Pakistan exclusively for the implementation of the Project.

6.4.2 The Successful Bidder / SPV shall be obligated to replace the Bid Security (prior to expiry of the Bid Security) with the Performance Security.

6.5 PERFORMANCE SECURITY

6.5.1 The Successful Bidder / SPV shall, within twenty-eight (28) days of issuance of the Notification of Award or such extended date as may be specified by Procuring Agencies in its sole discretion, but in any case prior to execution of the PPP Agreement, furnish to Procuring Agencies a satisfactory Performance Security as per the provisions of the PPP Agreement and shall maintain the same in full force and effect until the Performance

Security Expiry Date, in accordance with the requirements of the PPP Agreement and the RFP.

6.5.2 Failure of the Successful Bidder to comply with the requirements of Sub-Section 6.5.1 shall constitute sufficient grounds for the annulment of the award and forfeiture of its Bid Security. Prior to execution of the PPP Agreement, the Performance Security may be encashed for the same reasons as the Bid Security and for such other purpose as specified in the RFP. Following execution of the PPP Agreement, the Performance Security shall be encashed in terms of the PPP Agreement.

6.6 SIGNING OF THE PPP AGREEMENT

6.6.1 The PPP Agreement shall be executed between, the Procuring Agencies and the SPV (as the Concessionaire), within forty-five (45) days of issuance of the Notification of Award or successful conclusion of the negotiations or within such extended timeline as determined by the Procuring Agencies in its sole discretion. In case the PPP Agreement is not executed within the aforesaid timeline, the Bid Security or the Performance Security (as applicable) shall be encashed by Procuring Agencies and the award shall be cancelled, if such failure is due to reasons attributable to the Successful Bidder.

7. Other Considerations

7.1 CONFIDENTIALITY

7.1.1 No Bidder shall contact the Procuring Agencies /TFEC on any matter relating to its Bid following the time of submission of its Bid.

7.1.2 Any attempt by a Bidder to influence the Procuring Agencies /TFEC in relation to the Bidding Process may result in the rejection of its Bid and encashment of its Bid Security.

7.1.3 Notwithstanding Sub-Section 7.1.2 of the Instructions to Bidders, from the time of Bid opening to the time of award of the Concession, if any Bidder wishes to contact the Procuring Agencies /TFEC on any matter related to the Bidding Process, it should do so in writing.

7.1.4 Information relating to the examination, clarification, evaluation and recommendation for the Bidder shall not be disclosed to any person who is not officially concerned with the Bidding Process or is not a retained professional advisor advising the Parties in relation to, or matters arising out of, or concerning the Bidding Process. The Procuring Agencies will endeavour to treat all information, submitted as part of the Bid, in confidence and will require all those who have access to such material to treat the same in confidence. The Procuring Agencies may not divulge any such information, unless it is directed to do so by any statutory entity that has the power under law to require its disclosure, is required under the applicable laws in Pakistan, or it is to enforce or assert any right or privilege of the Procuring Agencies, a statutory entity.

7.1.5 All information supplied by the Procuring Agencies in connection with this RFP, shall be treated as confidential and the Bidders shall not, without the prior written consent of the Procuring Agencies, at any time make use of such information for their own purposes or disclose such information to any person (except as may be required by applicable law). Subject to the provisions of this RFP, the RFP shall remain the property of the Procuring Agencies and is issued solely for the purpose of preparation and submission of the Bid in accordance herewith.

7.1.6 The RFP and every part of it and all other information provided by or on behalf of the Procuring Agencies must be treated as private and confidential. Bidders shall not disclose the fact that they have been invited to submit a Bid or release details of the Procuring Agencies other than on a strictly confidential basis to those parties whom they need to consult for the purposes of preparing the Bids.

7.1.7 Bidders shall not at any time release any information concerning the RFP and/or their Bid and/or any related documents and/or any discussion with the Procuring Agencies in this connection for publication in the press or on radio, television, screen, social media or any other medium without the prior written approval of the Procuring Agencies.

7.1.8 Each Bidder undertakes to indemnify the GoB Parties and to keep the GoB Parties indemnified against all actions, claims, demands, liability, proceedings, damages, costs, charges and expenses whatsoever arising out of or in connection with any breach of the provisions of this Section 7.1 (*Confidentiality*).

7.1.9 Any Bid submitted in response to the RFP is submitted upon a full understanding and agreement of terms of this Section 7.1 (*Confidentiality*) and therefore the submission of the Bid in response to the RFP would be deemed as an acceptance to the said terms.

7.2 CORRUPT AND FRAUDULENT PRACTICES

7.2.1 The Procuring Agencies /TFEC will reject a Bid if it determines that a Bidder (or a Consortium Member, if applicable) (including any of its Affiliates) has, directly or through an agent, engaged in corrupt, fraudulent, collusive, coercive, or obstructive practices or other integrity violations during the Bidding Process. Procuring Agencies /TFEC may declare a Bidder (or a Consortium Member) ineligible, or blacklist a Bidder (or a Consortium Member) in accordance with the Regulations for Blacklisting of Bidders, Contractors, Suppliers and Consultants, 2023.

7.2.2 Coercive, collusive, corrupt, fraudulent or obstructive practices, for the purposes of Sub-Section 7.2.1 of the Instructions to Bidders shall have the following meaning:

7.2.2.1 **"Coercive practice"** means impairing or harming, or threatening to impair or harm, directly or indirectly, any party or the property of the party to influence the actions of a party to achieve a wrongful gain or to cause a wrongful loss to another party;

7.2.2.2 **"Collusive practice"** means any arrangement between two or more parties to the procurement process or contract execution, designed to achieve with or without the knowledge of the procuring agency to establish prices at artificial, non-competitive levels for any wrongful gain;

7.2.2.3 **"Corrupt practice"** means the offering giving, receiving or soliciting directly or indirectly of anything of value to influence the acts of another party for wrongful gain;

7.2.2.4 **"Fraudulent practice"** means any act or omission, including a misrepresentation, that knowingly or recklessly misleads, or attempts to mislead, a party to obtain a financial or other benefit or to avoid an obligation; and

7.2.2.5 **"Obstructive practice**" means harming or threatening to harm, directly or indirectly, persons or their property to influence their participation in a procurement process, or affect the execution of a contract or deliberately destroying, falsifying, altering or concealing of evidence material to the investigation or making false statements before investigators in order to materially impede an investigation into allegations of a corrupt, fraudulent, coercive or collusive practice; or threatening, harassing or intimidating any party to prevent it from disclosing its knowledge of matters relevant to the investigation or from pursuing the investigation, or acts intended to materially impede the exercise of inspection and audit rights.

7.3 INTEGRITY PACT

7.3.1 Each Bidder (and in case of a Consortium, each Consortium Member) shall sign and stamp Annexure G (*Form of Integrity Pact*) of the RFP (the "**Integrity Pact**"). Failure to provide such Integrity Pact may cause the Bid to be rejected by Procuring Agencies as non-responsive.

7.4 GRIEVANCE REDRESSAL

7.4.1 Any Bidder being aggrieved by any act or decision of the Procuring Agencies /TFEC, may after the issuance of the RFP, lodge a written complaint to the "*complaint redressal committee*" constituted by the Procuring Agencies in accordance with the Applicable Evaluation Documents. The mechanism for redressal of grievances of Bidders shall be as per the Applicable Evaluation Documents.

7.5 INSURANCES

7.5.1 If a Bidder is selected as the Successful Bidder, it understands, undertakes and confirms that it shall be responsible for procuring Insurances in respect of the Project. All fees, costs and other expenditures relating to such Insurances shall be borne by the SPV (as the Concessionaire).

7.6 NO LOBBYING

7.6.1 The Bidders (including any member of the Consortium), will not attempt to communicate, directly or indirectly, with any of the GoB Parties at any stage of the Bidding Process (including during the evaluation process), except as expressly permitted under this RFP, directed or permitted by the Procuring Agencies, or except as may be required and permitted under another procurement process, project or other assignment, in which event the Bidder will not have any discussions regarding the Project.

7.6.2 The Procuring Agencies /TFEC reserves the right to disqualify any Bidder that, in the Procuring Agencies /TFEC's opinion, has engaged in lobbying in connection with this Project.

8. Data Sheet

8.1 The following specific data shall supplement the provisions in the Instructions to Bidders.

1.	Address for seeking clarifications on the RFP	Address: A-49, Jinnah Town, Quetta. Email Address: Ahsanullah@bpppa.gob.pk faraz.syed@bpppa.gob.pk
2.	Pre-Bid Meetings	January 06, 2026 at 12:00 pm PST ID: 810 7878 0618 Meeting code: 036564
3.	Address for submission of Bid Security	As mentioned above
4.	Address for opening of Bids	As mentioned above
5.	Bid Submission Date	11:00 AM PST on February 03, 2026
6.	Bid Opening Date (Technical Proposals only)	11:30 AM PST on February 03, 2026
7.	Name of Project	Design, Build, Finance, Operate, Maintain and Transfer - Afforestation, Reforestation and Revegetation (ARR) Project In Balochistan
8.	Total Tenor	46 Years

ANNEXURES

BASIC ELIGIBILITY CRITERIA FOR BIDDERS:

A Bid received from a Bidder, shall only be considered if the following Basic Eligibility Criteria are satisfied:

IN CASE ANY DOCUMENT/ INFORMATION FURNISHED IS IN A LANGUAGE OTHER THAN ENGLISH, IT WILL NEED TO BE ACCOMPANIED BY AN ENGLISH TRANSLATION (DULY NOTARIZED BY NOTARY PUBLIC: (I) ATTESTED BY PAKISTAN EMBASSY / CONSULATE AND, ONCE BROUGHT INTO PAKISTAN, SHOULD BE ATTESTED BY MINISTRY OF FOREIGN AFFAIRS, PAKISTAN); OR (II) SUBJECT TO APPLICABLE LAWS OF THE COUNTRY WHERE ENGLISH TRANSLATION IS ISSUED, AUTHENTICATED BY AN APOSTILLE UNDER THE APOSTILLE CONVENTION. IN CASE OF ANY DISCREPANCY, THE ENGLISH TRANSLATION SHALL PREVAIL.)

BASIC ELIGIBILITY CRITERIA FOR BIDDERS:
A Bid received from a Bidder, shall only be considered if all the following components of the Basic Eligibility Criteria are satisfied:

ELIGIBILITY CRITERIA FOR BIDDERS

1. CONSTITUTIVE DOCUMENTS

A detailed description of the Bidder (including each Consortium Member), containing (as applicable):

- legal name;
- complete head office contact information, including mailing address, telephone and fax numbers, and an e-mail address;
- incorporation details, including corporate charter and articles of incorporation. If a Bidder (including a Consortium Member) is an unincorporated legal entity, then the proof of that legal entity's existence must be provided.

2. REGISTRATION WITH TAX AUTHORITIES

The Bidder (or in the case of a Consortium, all Consortium Members (as applicable) must possess a valid registration certificate from the income tax authority (i.e., the NTN certificate) and relevant sales tax authority, if applicable. (Valid NTN certificate and tax returns filed for last three (3) years are to be attached, if applicable and relevant sales tax certificate, if applicable.)

(Foreign entities participating as Lead Bidders in the Bidding Process should submit a tax certificate/Registration certificate of their country and tax returns filed for last three (3) years, as applicable).

3. AFFIDAVIT FOR GOVERNMENT OWNED LEGAL ENTITIES

In case if the Bidder, or any Consortium Member, is a government owned legal enterprise or institution, such Bidder or any Consortium Member (as applicable) must establish that it is legally and financially autonomous and operating under commercial law.

(Bidders, or any Consortium Member, who are government owned legal enterprise or institution shall submit an Affidavit confirming that they are legally and financially autonomous and operating under commercial law).

RELEVANT FORM: **ANNEXURE I** (*Affidavit*)

4. NO CONFLICT OF INTEREST

Bidders (including Consortium Members) may be considered to be in a conflict of interest if they, inter alia, participated as a consultant in the preparation of the design or technical / commercial / financial / legal specifications for the works and/or services for the Project, that are the subject of this Bidding Process, or is an affiliate of Procuring Agencies or any of its advisors.

A Bidder (including a Consortium Member) may be considered to be in a conflict of interest if it (including a Consortium Member) participated in more than one Bid in the Bidding Process, either individually or as a partner in a Consortium. This will result in the disqualification of all Bids in which it is involved. For avoidance of doubt, Bidders (including a Consortium Member) shall not be considered to be in a conflict of interest under this RFP if they participate in the bidding processes for more than one Land Parcel (under different request for proposal packages), either through an identical or varied consortium.

The circumstances provided above which may constitute a conflict of interest are not exhaustive, and TFEC shall be the sole determinant of whether a conflict of interest situation has arisen.

In case there is no conflict, the Bidder (in case of a Consortium, each Consortium Member) shall provide evidence in the form of an affidavit for non-conflict.

RELEVANT FORM: **ANNEXURE I** (*Affidavit*)

5. NON- BLACKLISTING

Each Bidder (including each Consortium Member) shall provide evidence, in the form of an affidavit, of its non-blacklisting by its employers, by any Federal or Provincial governmental or non-governmental department/ agency in Pakistan, or any other provincial government/governments of any foreign countries or their governmental bodies and/or International Organizations (e.g. World Bank, Asian Development Bank, United Nations, International Monetary Fund etc.) as at the Bid Submission Date.

RELEVANT FORM: **ANNEXURE H2** (*Historical Non-Performance, Black Listing and Pending Litigation*) or **ANNEXURE I** (*Affidavit*)

6. HISTORY OF NON- PERFORMING CONTRACTS AND LITIGATION

Any non-performance of a contract by the Bidder (or in case of Consortium, each Consortium Member) should not have occurred in the last three (3) years prior to the Bid Submission Date based on all information on fully settled disputes or litigation. All pending litigation against the Bidder or any Consortium Member shall in total not represent more than fifty percent (50%) of the respective net worth, nor shall there be any litigation that prevents or materially impedes the Bidder or any Consortium Member from its obligations in respect of the Project and the terms of the PPP Agreement.

The Bidders (or in case of a Consortium, each Consortium Member) shall provide details of the litigation or the Bidder (or in case of Consortium, each Consortium Member) shall submit an Affidavit in case of no litigation on PKR 200/- (Pakistani Rupees One Hundred only) stamp paper attested by Notary Public. Foreign Bidders' Affidavit should be attested by Pakistani Consulate / Pakistan High Commission of their country or authenticated by an apostille under the Apostille Convention, as applicable.

RELEVANT FORMS: **Annexure H2** (*Historical Non-Performance, Blacklisting and Pending Litigation*) or **ANNEXURE I** (*Affidavit*)

7. FAILURE TO SIGN CONTRACTS

The Bidder (or in case of a Consortium, each Consortium Member) shall not have failed to sign a contract in the last three (3) years.

(The Bidder (or in case of a Consortium, each Consortium Member) shall provide details of such failure to sign contracts or the Bidder (or in case of a Consortium, each Consortium Member) shall submit an Affidavit in case if not applicable on PKR 200/- (Pakistani Rupees One Hundred only) stamp paper attested by Notary Public. Foreign Bidders' Affidavit should be attested by Pakistani Consulate / Pakistan High Commission of their country or authenticated by an apostille under the Apostille Convention, as applicable.

RELEVANT FORM: **ANNEXURE H2** (*Historical Non-Performance, Black-Listing and Pending Litigation*) or **ANNEXURE I** (*Affidavit*)

8. ELIGIBLE COUNTRIES

Bidder, including all Consortium Members, shall be incorporated in / have nationality of an Eligible Country. A Bidder, including all Consortium Members, shall be deemed to have the nationality of an Eligible Country, if the Bidder (including all Consortium Members) is a national of that country; or is constituted, incorporated, or registered and operates in conformity with the provisions of the laws of that country.

RELEVANT FORM: SUBMISSION OF DOCUMENTARY PROOF – INCORPORATION CERTIFICATE.

9. FINANCIAL SITUATION / HISTORICAL FINANCIAL PERFORMANCE

• NET WORTH

The Bidder including shareholders of the bidding company must have a net worth of at least PkR 2,500,000,000/- (Pak Rupee Two Billion and Five Hundred Million only).

In case of a Consortium, only such Consortium Members that are proposed to be shareholders of the SPV as per the consortium agreement shall be considered for this criterion, and in the evaluation of the same they must collectively meet the criterion, and:

- The Lead Member including shareholders of the Lead Member must have a minimum net worth of PkR 1,500,000,000/- (Pak Rupee One Billion and Five Hundred Million only); and
- Collective net-worth of the consortium (including its shareholders) shall be PkR 2,500,000,000/- (Pak Rupee Two Billion and Five Hundred Million only).

The Consortium shall not comprise of more than three (3) members.

RELEVANT FORM: **ANNEXURE H-3** (*Financial Situation*)

• AVERAGE ANNUAL TURNOVER OR LIQUID INVESTMENTS

THE BIDDER/CONSORTIUM SHALL HAVE AN AVERAGE ANNUAL TURNOVER OF PKR 5,000,000,000/- (PAKISTANI RUPEES FIVE BILLION ONLY) FOR THE LAST THREE (3) YEARS.

OR

The Bidder including shareholders of the bidding company, or in case of consortium the Lead Member including its shareholders, must have a minimum cash, short term or liquid investments and funding lines of which at least seventy percent (70%) of the aggregate number should be demonstrated through cash and short-term investments. Such cash, short term or liquid investments and funding lines should not be less than PkR 500,000,000/- (Pak Rupee Five Hundred Million only) (the Bidder/each Consortium Member shall submit audited financial statements for the last three (3) years And/Or Bank/Financial Institution Facility offer letters to demonstrate their collective capability for this criteria, if applicable).

RELEVANT FORM: **ANNEXURE H-3** (*Financial Situation*)

10. TECHNICAL EXPERTISE AND EXPERIENCE

The Bidder (or in the case of a Consortium, at least one member of the Consortium or its staff) must demonstrate expertise and prior experience in project description documents/project design document (PDD) preparation or validation or verification processes with recognized carbon standards (such as, VERRA, Gold Standard).

RELEVANT FORM: **ANNEXURE H-5** (*Details of Contracts of Similar Nature and Complexity Completed*).

11. ENVIRONMENTAL AND SOCIAL SAFEGUARDS RELATED EXPERTISE AND EXPERIENCE

The Bidder (or in the case of a Consortium, at least one member of the Consortium or its staff) must demonstrate expertise and experience in working with local communities and other stakeholders or conducting environmental and social safeguards assessments and management.

RELEVANT FORM: **ANNEXURE H-5** (*Details of Contracts of Similar Nature and Complexity Completed*).

ANNEXURE B - TECHNICAL EVALUATION CRITERIA

The technical proposal of only those Bidders shall be considered who meet the Basic Eligibility Criteria set above.

Minimum Score to Achieve: **70%**

IN CASE ANY DOCUMENT/ INFORMATION FURNISHED IS IN A LANGUAGE OTHER THAN ENGLISH, IT WILL NEED TO BE ACCOMPANIED BY AN ENGLISH TRANSLATION (DULY NOTARIZED BY NOTARY PUBLIC: (I) ATTESTED BY PAKISTAN EMBASSY / CONSULATE AND, ONCE BROUGHT INTO PAKISTAN, SHOULD BE ATTESTED BY MINISTRY OF FOREIGN AFFAIRS, PAKISTAN); OR (II) SUBJECT TO APPLICABLE LAWS OF THE COUNTRY WHERE ENGLISH TRANSLATION IS ISSUED, AUTHENTICATED BY AN APOSTILLE UNDER THE APOSTILLE CONVENTION. IN CASE OF ANY DISCREPANCY, THE ENGLISH TRANSLATION SHALL PREVAIL.)

Financial proposals of those consultants who failed to secure minimum qualifying marks in the technical evaluation shall be returned un-opened.

Technical Criteria	**Maximum Points**	**Basis of Scoring**	**Data/Document to be provided by the Bidder**
Section 1: Human Resource and Staffing Requirements [10 Marks] *CVs in the manner and form format provided in this Request for Proposal would be provided for these experts, who should either be employees of the Bidder/any Consortium Member or be associated with them through binding contracts.* *50% marks for qualification and remaining 50% marks for experience of the individual.*			
1.1 Project Manager / Team Leader Experience in managing large-scale forest restoration, conservation or sustainable forest management projects or Afforestation, Reforestation or Revegetation (ARR) projects, Improved Forest Management (IFM) projects, or Reducing Emissions from Deforestation and Forest Degradation (REDD) projects, or other sustainable land management projects in the AFOLU sector.	Maximum 2.5 Marks	Ph.D. or Master's degree in forestry, agriculture, or environmental sciences with fifteen (15) years overall experience – 2.5 Marks OR having a Bachelor of Science degree in forestry, agriculture or environmental sciences with at least at least twenty (20) years overall experience in the above mentioned projects, out of which twenty (20) years relevant experience – 2.0 Marks	Detailed CV along with a copy of degree to be submitted. Binding Agreement/Employment Contract to be submitted
1.2 Forest Carbon Accounting or General Greenhouse Gas Accounting Specialist	Maximum 2.5 marks	Must have a Master's degree in Natural Sciences or Social Sciences or Business subjects with specialized certification in GHG accounting and overall experience of at least five (05) years and relevant experience of at least two (2) years	CV and Copy of Degree Binding Agreement/Employment Contract to be submitted

1.3 Carbon Finance or Carbon Markets Expert or Financial Expert	Maximum 2.5 marks	Must have a Master's degree / professional accountancy certification, with at least ten (10) years overall experience.	CV and Copy of Degree Binding Agreement/Employment Contract to be submitted
1.4 Environmental Specialist	Maximum 1.25 marks	Must hold a Ph.D. or Master's degree in Environmental Sciences field with at least ten (10) years overall experience out of which two (2) years relevant experience	CV and Copy of Degree Binding Agreement/Employment Contract to be submitted
1.5 Social Specialist	Maximum 1.25 marks	Must hold a Ph.D. or Master's degree in Social Sciences field with at least ten (10) years overall experience out of which two (2) years relevant experience	CV and Copy of Degree Binding Agreement/Employment Contract to be submitted
Section 2: Technical Expertise – Prior Experience [35 Marks]			
2.1 The bidder (or the Lead Bidder in the case of consortium) must have been awarded ARR project(s) in the last five years.	35 Marks	• 25 Marks for one ARR project with at least 10,000 acres. • Additional 10 marks for second ARR project with at least 10,000 acres. *Total 35 marks maximum*	Proof of the Project or Copy of award Letter from the relevant authority or Contract/ Agreement copy.
Section 3: Financial Capability (35 Marks)			
3.1 Net worth The Bidder including shareholders of the bidding company must have a net worth of at least PkR 2,500,000,000/- (Pak Rupee Two billion and five hundred million only). In case of a Consortium, only such Consortium Members that are proposed to be shareholders of the SPV as per the consortium agreement shall be considered for this criterion, and in the evaluation of the same they must collectively meet the criterion, and:	15 Marks	• Net worth of PkR 2,500,000,000/- (Pak Rupee Two billion and five hundred million only) will be awarded 10 marks. For each increment of PkR 200,000,000/- (Pak Rupee Two Hundred Million only) above the minimum, 1 mark will be awarded till the maximum of 15 marks is reached. • In case of a Consortium, a collective net worth of PkR 2,500,000,000/- (Pak Rupee Two billion and five hundred million only), in accordance	Audited Financial Statements and/or Annual Tax Returns

The Lead Member including shareholders of the Lead Member must have a minimum net worth of PkR 1,500,000,000/- (Pak Rupee One Billion and Five Hundred Million only), and collective net-worth of a consortium shall be PkR 2,500,000,000/- (Pak Rupee Two billion and Five Hundred Million only).		with the above criteria, will be awarded 10 marks. For each increment of PkR 200,000,000/- (Pak Rupee Two Hundred Million only) above the minimum, 1 mark will be awarded till the maximum of 15 marks is reached	
3.2 **Cash and funding lines:** The Bidder including shareholders of the bidding company, or in case of consortium the Lead Member including its shareholders, must have a minimum cash, short term or liquid investments and funding lines of which at least seventy percent (70%) of the aggregate number should be demonstrated through cash and short-term investments.	10 Marks	• Cash, short-term or liquid investments and funding lines of not less than PkR 500,000,000/- (Pak Rupee Five Hundred Million only) will be awarded 5 marks.	Financial Institution Facility offer Letter, Audited Financial Statements and/or Annual Income Tax Returns
3.3 Turn Over The Bidder including shareholders of the bidding company or in case of a consortium, any member thereof (including its shareholders), whether directly or indirectly through the current company or any previous company, must demonstrate an average annual turnover of PkR 5,000,000,000/- (Pak Rupee Five billion only) in any three (03) financial years during the last five (05) years.	10 Marks	• Any 03 years average turnover during last five years of PkR 5,000,000,000/- (Pak Rupee Five Billion only) will be awarded 05 marks. For each increment of PkR average 200,000,000/- (Pak Rupee Two Hundred Million only) above the minimum, 1 mark will be awarded till the maximum of 10 marks is reached.	Audited Financial Statements and/or Tax Returns
Section 4: Project Development Experience (15 Marks)			
4.1 The following categories of experience would qualify as technical capability and eligible experience:	15 Marks	The following scores will be allocated to each category: • Category 1 – 10 marks for the first completed project and 2.5	With respect to the relevant category, the Bidder must provide project completion

(i) Category 1: Development Experience in Forestry Projects The Bidder (or in the case of a Consortium, at least one Consortium Member) has successfully completed at least one (1) Agriculture, Forestry and Other Land Use (AFOLU) project that includes afforestation and reforestation, agroforestry, forest management, carbon market development projects, nature-based carbon emission reduction with successful generation and trading of verified carbon credits. Each of the implemented projects must have a cost of at least PkR 1,000,000,000/- (Pak Rupee One Billion only) or cover an area of at least ten thousand (10,000) hectares. Projects must demonstrate climate change mitigation and adaptation benefits and be validated/verified with one of the recognized Carbon Standards (e.g., Verified Carbon Standard, Gold Standard, Plan Vivo, Open Forest Protocol, Climate Action Reserve, American Carbon Registry, Clean Development Mechanism, etc.). The Bidder must have staff in their teams with expertise in carbon projects management, carbon standards and AFOLU methodologies, GHG accounting, and carbon markets, or have		marks for each subsequent completed project. • Category 2 – 10 marks for the first completed project and 2.5 marks for each subsequent completed project. • Category 3 – 10 marks for PKR 2,500,000,000/- (Pakistani Two and a half Billion only) and 2.5 marks for every additional PKR 500,000,000/- (Pakistani Rupees Five Hundred Million only). • Category 4 – 10 marks for five hundred thousand (500,000) carbon credits and 2.5 marks for every additional Two hundred thousand (200,000) carbon credits. (Note: Any specific project can only be quoted for one category. If multiple projects are shown, the total marks will be aggregated up till the maximum 15 marks. If a Bidder's quoted project qualifies under multiple categories, the category in which the highest marks will be allocated shall be considered in the relevant category for evaluation.)	certificates for projects mentioned in the submitted Bid. The certificates must have been issued by the sponsors of the projects.

contractual agreements with professionals who have expertise in these areas. This experience must have been gained within the last ten (10) years. **(ii) Category 2: Experience with Climate Change Projects** The Bidder (or in the case of a Consortium, at least one Consortium Member) has proven expertise in climate mitigation projects other than AFOLU, in at least one (1) of the following areas: (a) energy; industrial products and processes; and (c) waste sector; and must have implemented such projects in the last ten (10) years. Projects must demonstrate climate change mitigation and be validated/verified with one of the recognized Carbon Standards (e.g., Verified Carbon Standard, Gold Standard, Plan Vivo, Climate Action Reserve, American Carbon Registry, Clean Development Mechanism, etc.). The Bidder must have staff in their teams with expertise in carbon projects management, carbon standards and their applicable methodologies, GHG accounting, and carbon markets, or have contractual agreements with professionals who have expertise in these areas. Each of the implemented projects must have a cost of at least PkR 1,000,000,000/-			

(Pak Rupee One Billion only). **(iii) Category 3: Experience with Agro-based Manufacturing in the past 3 years** The Bidder including shareholders of the bidding company, or in case of a consortium the lead member including its shareholders, directly or indirectly, through the current Company or any previous company, has been involved in projects or business related to agro-based industry involving supply chain solutions / food processing or value-added product manufacturing, and must have a minimum average turnover of PKR 2,500,000,000/- (Pakistani Rupees Two and a half Billion only) in any three (03) financial years during the last five (05) years **(iv) Category 4: Experience with investment in Nature Based Solution Private Equity fund** The Bidder has invested in nature-based carbon credits, either directly or indirectly (through a PE/climate fund), subject to a minimum of five hundred thousand (500,000) carbon credits.			
Section 5: Business Approach and Methodology (05 Marks) *To be demonstrated as per Form H-7 (Description of Approach, Methodology and Work Plan)*			

5.1. Business Approach and Methodology	05 Marks	• **Project Understanding and Approach:** Demonstration of a clear understanding of the project's objectives and challenges in accordance with Volume II (Project Scope) and Volume III (PPP Agreement), each of the RFP - Maximum Points – 2.0 Marks • **Methodology and Work Plan:** Proposed methodology for project design, planning, development, implementation, financing, stakeholder engagement, monitoring, reporting, knowledge and technology transfer, etc, in accordance with Volume II (Project Scope) and Volume III (PPP Agreement), each of the RFP – 2.0 Mark • **Local Community HR:** Strategy to engage Local HR with Recruitment Plan and Strategy – 01 Mark	Detail Reports to be attached.
Total Technical Score	**100**		

ANNEXURE C – FORM OF BID SECURITY

……., 2025

To:

The CEO,
Balochistan Public Private Partnership Authority – (Design, Build, Finance, Operate, Maintain And Transfer an Afforestation, Reforestation And Revegetation (ARR) Project In Balochistan),
Government of Balochistan,
Quetta, Pakistan (the Beneficiary).

Guarantee No: _____ (the Guarantee)

Date of Issue: _____

Date of Expiry:

Guarantee Amount: _____

Name of Guarantor: _____

Name of Principal: _____

We, [●][1], being the Guarantee issuing bank (the Issuing Bank) understand that the following party/parties have responded to the '*Request for Proposal*' issued by the Balochistan Public Private Partnership Authority and the Provincial Transport Department, Government of Balochistan, dated [●] in relation to the 'Project (as amended and/or supplemented from time to time) (the RFP), by submitting their respective formal proposals/bids:

[*Name of the Bidder*], a [*Insert legal status*] existing under the laws of [*Insert Country*] having its [*registered office* OR *place of business*] located at [*Insert address*], (the Bidder, which expression includes its successors, assignees and transferees).

Further, We, the Issuing Bank, understand that pursuant to the RFP, the Bidder is required to provide the Beneficiary, a bid security in the form of a bank guarantee equal to PKR [●] and issued by a scheduled commercial bank operating in Pakistan (with a minimum credit rating of at least 'AA-' as rated by JCR VIS or an equivalent rating by PACRA).

The above premised, we (the Issuing Bank) hereby undertake irrevocably and unconditionally on demand to pay to the Beneficiary, without any notice, reference, recourse, evidence, document in support of the demand, the validity, proprietary or legality of the said demand to the Bidder or to any other entity or without any recourse or reference to the RFP or any other document, agreement, instrument or deed, any sum or sums (or any part thereof) equivalent in aggregate up to but not exceeding a maximum amount of:

PKR [●]/- (Pakistani Rupees [●] Only)
(the Guaranteed Amount)

at sight and immediately, provided however not later than one (1) business day from the date of receipt of the Beneficiary's first written demand (the Demand) at the Issuing Bank's offices located at [●], such Demand referring to this Guarantee and stating the amounts demanded.

We, the Issuing Bank, shall unconditionally honour a Demand hereunder made in compliance with this Guarantee at sight and immediately on the date of receipt of your Demand, as stated earlier, and shall transfer the amount specified in the Demand to the bank account, as notified in the Demand, in immediately available and freely transferable funds in the currency of this Guarantee, free and clear of

[1]Insert name of issuing Bank;

and without any set-off or deduction for or on account of any present or future taxes, levies, imposts, duties, charges, fees, deductions or withholdings of any nature whatsoever and by whomsoever imposed.

This Guarantee shall come into force and shall become automatically effective upon the submission of the Bid by the Guarantor to the Beneficiary in response to the RFP.

After having come into force, this Guarantee and our obligations hereunder will expire on the earlier of:

(i) [●] ([●]) days from the date of submission of the proposal/bid by the Guarantor to the Beneficiary in response to the RFP; or

(ii) when the aggregate of all payments made by us under this Guarantee equals the Guaranteed Amount.

Upon expiry, this Guarantee shall be returned to the Guarantor in terms of the conditions stipulated under the RFP. Multiple Demands may be made by the Beneficiary under this Guarantee, but our aggregate liability will be restricted up to the Guaranteed Amount.

We hereby agree that any amendment, renewal, extension, modification, compromise, release or discharge by mutual agreement by the Beneficiary, the Bidder or any other entity of any document, agreement, instrument or deed shall not in any way impair or affect our liabilities hereunder and maybe undertaken without notice to us and without the necessity for any additional endorsement, consent or guarantee by us.

This Guarantee for its validity period shall not be prejudiced or affected in any manner by any change in our constitution or of the Bidder's constitution or of their successors and assignees and this Guarantee shall be legally valid, enforceable and binding on each of their successors and permitted assignees.

All references to any contract, agreement, deed or other instruments or documents are by way of reference only and shall not affect our obligations to make payment under the terms of this Guarantee.

The Beneficiary may not assign/transfer or cause or permit to be assigned or transferred any of their rights, interests and benefits of this Guarantee without our prior written consent, which consent shall not be unreasonably withheld or delayed.

If one or more of the provisions of this Guarantee are held or found to be invalid, illegal, or unenforceable for any reason whatsoever, in any respect, any such invalidity, illegality, or unenforceability of any provision shall not affect the validity of the remaining provisions of this Guarantee.

We hereby declare and confirm that under our constitution and applicable laws and regulations, we have the necessary power and authority, and all necessary authorizations, approvals and consents thereunder to enter into, execute, deliver and perform the obligations we have undertaken under this Guarantee, which obligations are valid and legally binding on and enforceable against us under the Pakistani law and under the laws of the jurisdiction where this Guarantee is issued. Further, that the signatory(ies) to this Guarantee is/are our duly authorized officer(s) to execute this Guarantee.

This Guarantee and all rights and obligations arising from this Guarantee shall be governed and construed in all respects in accordance with the laws of Pakistan. The courts of Pakistan shall have exclusive jurisdiction in respect of any dispute relating to any matter contained herein.

The issuance of this Guarantee is permitted according to the Pakistani law and the laws of the jurisdiction where this Guarantee is issued.

AUTHORIZED SIGNATORY _____
DATE _____
PLACE _____

AUTHORIZED SIGNATORY _____
DATE _____
PLACE _____

A. **POWER OF ATTORNEY TO AUTHORIZE A PERSON TO SUBMIT THE BID**

NOTES FOR EXECUTION OF POWER OF ATTORNEY

- *The mode of execution of the Power of Attorney should be in accordance with the procedure, if any, laid down by the applicable laws and the charter documents of the executant(s) and when it is so required, the same should be under common seal affixed in accordance with the required procedure.*

- *Also, wherever required, the Bidder (and in case of the Consortium, each member of the Consortium, wherever required) should submit for verification the extract of the charter documents and documents such as a resolution/power of attorney in favour of the person executing this Power of Attorney for the delegation of power hereunder on behalf of the Bidder.*

- *This Power of Attorney shall be notarised with the Notary Public.*

- *For a Power of Attorney executed and issued overseas, the document will also have to be legalised by the Pakistani Embassy and notarised in the jurisdiction where the Power of Attorney is being issued.*

- *Please find below the form and substance of the Power of Attorney.*

"FORM OF POWER OF ATTORNEY FOR SIGNING OF TECHNICAL BID"

KNOW ALL MEN BY THESE PRESENTS, WE, _____ (*name of the firm and address of the registered office*) do hereby irrevocably constitute, nominate, appoint and authorise Mr./Ms (Name), son/daughter/wife of _____ holding [*CNIC/Passport*] Number _____ and presently residing at _____, who is presently employed with [*us* OR *the Lead Member of our Consortium*] and holding the position of _____], as our true and lawful attorney (hereinafter referred to as the Attorney) to do in our name and on our behalf, all such acts, deeds and things as are necessary or required in connection with or incidental to submission of our Bid for operating, maintaining and transfering the Project. It is to be noted that the term of the Project is tentative at this stage and the exact term shall be set out in the PPP Agreement.

The Attorney is authorised in respect of the Project that is being developed by the Balochistan Public Private Partnership Authority and the Provincial Transport Department, Government of Balochistan (the Procuring Agencies), in accordance with the Request for Proposal issued by the Procuring Agencies (as amended from time to time), including but not limited to signing and submission of all applications, bids and other documents and writings, participate in bidders' and other conferences and providing information/responses to the Procuring Agencies, representing us in all matters before the Procuring Agencies, signing and execution of all contracts including the PPP Agreement and undertakings consequent to acceptance of our bid, and generally dealing with the Procuring Agencies in all matters in connection with, or relating to, or arising out of our bid for the said Project and/or upon award thereof to us and/or till the entering into of the PPP Agreement with the Procuring Agencies.

AND We hereby agree to ratify and confirm and do hereby ratify and confirm all acts, deeds and things lawfully done or caused to be done by our said Attorney pursuant to and in exercise of the powers conferred by this Power of Attorney and that all acts, deeds and things done by our said Attorney in exercise of the powers hereby conferred shall and shall always be deemed to have been done by us.

IN WITNESS WHEREOF WE, _____, THE ABOVE NAMED PRINCIPAL HAVE EXECUTED THIS POWER OF ATTORNEY ON THIS _____ DAY OF _____, 20[●].

FOR & ON BEHALF OF:

_____ (*NAME OF THE FIRM)*
BY ITS DULY AUTHORIZED SIGNATORY

……..
(SIGNATURE)
(NAME, TITLE AND ADDRESS)

WITNESSES:

WITNESS 1:	WITNESS 2:
……	……
NAME:	NAME:
CNIC/PASSPORT NUMBER:	CNIC/PASSPORT NUMBER:
ADDRESS:	ADDRESS:

SIGNATURE OF ATTORNEY

[NOTARISED]

……
(SIGNATURE)
(NAME, TITLE AND ADDRESS OF THE ATTORNEY)

B. POWER OF ATTORNEY TO AUTHORIZE THE LEAD MEMBER OF THE CONSORTIUM

NOTES FOR EXECUTION OF POWER OF ATTORNEY

- *The mode of execution of the Power of Attorney should be in accordance with the procedure, if any, laid down by the applicable law and the charter documents of the executant(s) and when it is so required, the same should be under common seal affixed in accordance with the required procedure.*

- *Also, wherever required, the Bidder (and in case of the Consortium, each member of the Consortium, wherever required) should submit for verification the extract of the charter documents and documents such as a resolution/power of attorney in favour of the person executing this Power of Attorney for the delegation of power hereunder on behalf of the Bidder.*

- *This Power of Attorney shall be notarised with the Notary Public.*

- *For a Power of Attorney executed and issued overseas, the document will also have to be legalised by the Pakistani Embassy and notarised in the jurisdiction where the Power of Attorney is being issued.*

- *Please find below the form and substance of the Power of Attorney.*

"FORM OF POWER OF ATTORNEY FOR LEAD MEMBER OF CONSORTIUM"

WHEREAS, the Balochistan Public Private Partnership Authority and the Provincial Transport Department, Government of Balochistan (the Procuring Agencies) has invited bids from bidders for the 'PROJECT' (the Project) pursuant to the Request for Proposal issued by the Procuring Agencies (as amended from time to time) and other related documents relating to the Project (the RFP);

WHEREAS, _____, _____ and _____ (each hereinafter referred to individually as a Consortium Member and collectively as Consortium Members) have formed a consortium (the Consortium) pursuant to a Joint Bidding Agreement dated _____ [*Insert date of the Joint Bidding Agreement, as is required for each Consortium that bids for the Project*] for bidding for the Project in accordance with the terms and conditions of the RFP;

AND WHEREAS, it is necessary for the Consortium Members to designate one of them as the 'Lead Member' with all necessary power and authority to do for and on behalf of the Consortium, all acts, deeds and things as may be necessary in connection with the Consortium's bid for the Project and its execution.

NOW, THEREFORE, KNOW ALL MEN BY THESE PRESENTS

WE, _____ , having our registered office at _____, M/s. _____, having our registered office at _____, and M/s. _____, having our registered office at _____, [the respective names and addresses of the registered office] (hereinafter collectively referred to as the Principals) do hereby irrevocably designate, nominate, constitute, appoint and authorise M/s _____, having its registered office at _____, being one of the Members of the Consortium, as the Lead Member and true and lawful attorney of the Consortium (hereinafter referred to as the Attorney) and hereby irrevocably authorise the Attorney (with power to sub-delegate) to conduct all business for and on behalf of the Consortium and any one of us during the '*Competitive Selection Process*' and, in the event the Consortium is awarded the Project, during the execution of the Project, and in this regard, to do on our behalf and on behalf of the Consortium, all or any of such acts, deeds or things as are necessary or required or incidental to the submission of its bid for the Project, including but not limited to signing and submission of all applications, bids and other documents and writings, participate in bidders' and other conferences, respond to queries, submit information/documents, sign and execute contracts and undertakings consequent to acceptance of the bid of the Consortium and generally to represent the Consortium in all its dealings with the Procuring Agencies, and/or any other governmental agency or any person, in all matters in connection with or relating to or arising out of the Consortium's bid for the Project and/or upon award thereof till the PPP Agreement is entered into with the Procuring Agencies.

AND hereby agree to ratify and confirm and do hereby ratify and confirm all acts, deeds and things lawfully done or caused to be done by our said Attorney pursuant to and in exercise of the powers conferred by this Power of Attorney and that all acts, deeds and things done by our said Attorney in exercise of the powers hereby conferred shall and shall always be deemed to have been done by us/Consortium.

IN WITNESS WHEREOF WE THE PRINCIPALS ABOVE NAMED HAVE EXECUTED THIS POWER OF ATTORNEY ON THIS _____ DAY OF _____ 20**.

FOR:_____
(SIGNATURE)
(NAME, TITLE AND ADDRESS)

FOR:_____
(SIGNATURE)
(NAME, TITLE AND ADDRESS)

FOR:_____
(SIGNATURE)

(NAME, TITLE AND ADDRESS)

WITNESSES:
1.

2.

(EXECUTANTS)
(TO BE EXECUTED BY ALL THE MEMBERS OF THE CONSORTIUM)

ANNEXURE E – COMMITMENT FORM

REQUEST FOR PROPOSALS

[*Date To Be Provided*]

COMMITMENT FORM

A COMMITMENT FORM MUST BE COMPLETED BY THE BIDDER

TO: Balochistan Public Private Partnership Authority and the Forest and Wildlife Department, Government of Balochistan (PROCURING AGENCIES)

For sufficient good and valuable consideration, receipt of which is hereby acknowledged, we hereby agree to the following:

1. DEFINITIONS

Unless the context indicates otherwise, all capitalized terms and expressions used herein and, in our Bid, have the meaning given to them in the RFP (*as defined herein below*).

2. GENERAL

We, the undersigned, acknowledge, confirm, and agree that:

A) we have examined, read, and understood Volume 1 (*Instruction To Bidders*) (including its schedules) respectively dated [*date to be provided*] and [*date to be provided*] as it relates to the Project, as amended by way of addenda (collectively, the RFP); and

B) we have satisfied ourselves that we have a full and complete understanding of the nature of the Project.

3. PRICING

We confirm that all prices appearing in our Bid are expressed in PKR and represent aggregate prices that include all taxes, duties, levies and other charges (federal, provincial and local).

4. FIRM AND IRREVOCABLE BID

Our Bid constitutes a firm offer to the Procuring Agencies, that is irrevocable and binding upon us, and that it cannot be withdrawn or extended until the Bid Validity Period indicated in the RFP or as extended by the Procuring Agencies.

5. BID COMPLIANT WITH SUBMISSION REQUIREMENTS

We declare and confirm that our Bid satisfies and complies with the submission requirements indicated in the RFP, specifically including:

- the eligibility criteria;
- the commercial compliance evaluation criteria;
- the technical bid compliance evaluation criteria;
- the financial bid compliance evaluation criteria.

6. RFP

We acknowledge, confirm, and agree that our Bid is subject to the terms and conditions of the RFP, including all disclaimer clauses and all limitation of liability clauses in favour of the Procuring Agencies or any other party mentioned therein. In particular, we acknowledge, confirm, and agree that we are bound by the terms and conditions of the RFP.

7. NO MATERIAL DETERIORATION

We hereby declare and warrant that:

- with the exception of what is indicated in detail in a written document attached to this Commitment Letter, our financial situation and our business operations have undergone no adverse material change since the date of the most recent financial statements submitted along with the Bid;

- with the exception of what is indicated in detail in a schedule attached to this Commitment Letter, there is no action, suit, or proceeding pending against us, or, to our knowledge, after satisfactory investigation, imminent against us or legally concerning us, brought before or by any organization, tribunal, commission, board, agency, or federal, provincial, municipal, or other office, domestic or foreign, or brought before or by any arbitrator or arbitration board, that could, in the event of an unfavourable decision, have a material adverse effect on our solvency, liquidity, or financial situation; and

- with the exception of what is indicated in detail in a schedule attached to this Commitment Letter, we are not aware of any reason for which an action, suit, or proceeding could be brought against us.

8. NO COLLUSION OR CONFLICT

In preparing and submitting our Bid, we declare, warrant, and confirm that we have not discussed or communicated, either directly or indirectly, with any other Bidder, or with any officer, director, employee, consultant, advisor, agent, or representative of any other Bidder (including any Member, or Key Individual of the team of a Bidder), regarding the content, preparation, or presentation of its Bid. Our Bid has been submitted without any relation (including a relation solely in the form of a shareholding or other interest in the ownership of a Bidder or of a Member, or Key Individual of the team of the Bidder, with the exception of a holding of less than **[•]** percent of the voting shares of any company whose shares are traded on a recognized stock exchange), knowledge, exchange, or comparison of information, or any arrangement with any Bidder or any director, officer, employee, consultant, advisor, agent, or representative of any Bidder (including any Member, or Key Individual of the team of a Bidder).

We hereby declare, warrant, and confirm that we do not have any knowledge, either direct or indirect, of any Bid of any other Bidder, and that we do not have any interest in any such Bid, and that we have not concluded any agreement or understanding or any formal or informal arrangement that could result in our having such knowledge or interest prior to the submission of our Bid.

With the exception of what is indicated in detail in a schedule attached to this Commitment Letter, we hereby declare, warrant, and confirm that, to our knowledge, no real or apparent Conflict of Interest has arisen, exists, or is reasonably likely to arise in the future in connection with the submission of our Bid in response to the RFP, or in connection with the delivery of the services required of the Concessionaire.

We hereby declare, warrant, and confirm that we have no access to any confidential information belonging to the Procuring Agencies, and that we are not in a position to take advantage of any right of access to such information (other than confidential information that the Procuring Agencies may communicate to all Bidders).

9. FURTHER WARRANTIES

We hereby represent and warrant that all information, data and materials of any nature whatsoever provided by us in the Bid is true and accurate and not misleading in any nature.

We have made a complete and careful examination of the RFP and have received all the relevant information from the Procuring Agencies, as required for the purposes of submission of the Bid. We further warrant that we have verified and understand all the information received from the Procuring Agencies in connection with the RFP.

10. EVIDENCE OF AUTHORITY

We acknowledge that the Procuring Agencies requires that each of the undersigned (other than a Key Individual) provides evidence, in the form of a resolution in a form deemed acceptable by the Procuring Agencies, that the person signing this Commitment Form on behalf of the undersigned has the authority required to do so and to bind the undersigned.

11. COPIES

This Commitment Form may be signed in multiple copies, each of which is deemed to be an original, and these copies together shall constitute a single instrument.

IN WITNESS WHEREOF we have signed this Commitment Form on [*date to be provided*].

BIDDER:

_____
(NAME)

_____
(STREET ADDRESS OR POSTAL BOX NUMBER)

_____
(CITY, PROVINCE, AND POSTAL CODE)

AUTHORIZED SIGNATORY: _____

NAME AND TITLE: _____
(PLEASE TYPE OR PRINT)

IF THE BIDDER IS A CONSORTIUM OR OTHER ENTITY:

EXECUTED AND DELIVERED BY: _____

[*NAME OF THE CONSORTIUM OR OTHER ENTITY] BY ITS DULY AUTHORIZED REPRESENTATIVE, AND BY [PROVIDE PARTICULARS ON THE SIGNATURE]:

_____
[NAME OF BIDDER *]

_____
(AUTHORIZED SIGNATORY)

_____
(AUTHORIZED SIGNATORY)

Each of the undersigned hereby:

- acknowledges that the Bidder has signed the above-mentioned Commitment Form;
- acknowledges and confirms that he has read, reviewed, and understood each of the provisions of the Bid, that he accepts them, and that the Bid has been submitted with its consent;

- confirms and agrees that the provisions of Sections 2, 7, 8, 9, 10, and 11 apply to it, with such modifications as the circumstances require.

EXECUTED ON _____.

MEMBER: _____
(NAME)

NAME AND TITLE: _____
(PLEASE TYPE OR PRINT)

AUTHORIZED SIGNATORY: _____
(NAME)

NAME AND TITLE: _____
(PLEASE TYPE OR PRINT)

PARTICIPANT: _____
(NAME)

NAME AND TITLE: _____
(PLEASE TYPE OR PRINT)

AUTHORIZED SIGNATORY: _____
(NAME)

NAME AND TITLE: _____
(PLEASE TYPE OR PRINT)

KEY INDIVIDUAL*: _____
(NAME)

NAME AND TITLE: _____
(PLEASE TYPE OR PRINT)

* APPLICABLE TO KEY INDIVIDUALS WHO ARE NOT EMPLOYEES OF THE BIDDER, OR A MEMBER OF THE BIDDER.

ANNEXURE F - DECLARATION

We the undersigned return this RFP submission, the Bid and its appendices and acknowledge that we are bound by its content.

We confirm that we are fully conversant with the requirements of the Procuring Agencies and the subject matter of the procurement exercise as set out in the RFP.

By submitting a bid, we represent and warrant to the Procuring Agencies that our bid has been prepared, relies and has been submitted solely on investigations, examinations, knowledge, analyses, interpretation, information, opinions, conclusions, judgments, and assessments independently undertaken, formulated, obtained, and verified by us and our team members and not in any way upon any action or omission, the scope, timeliness, accuracy, completeness, relevance, or suitability of any Information. We further warrant that we understand all aspects of the RFP and its governing rules including but not limited to the evaluation criteria laid down in the RFP and that the same is in line with the Balochistan Public Private Partnership Rules, 2022, and applicable laws.

We warrant that the details of this submission in response to the RFP have not been communicated to any other person or adjusted in accordance with any agreement or arrangement with any other person or organization.

We acknowledge that the Procuring Agencies are not bound to proceed with the procurement exercise and reserves the right at its absolute discretion to accept or not accept any bid submitted and thereafter invite any Preferred Bidder to enter into a PPP Agreement for the delivery of the Project.

We certify that we have full power and authority to submit this response to the RFP and that this is a bona fide submission in response to the RFP.

Unless expressly specified otherwise, all capitalized terms used herein shall bear the meaning ascribed thereto in the RFP.

Signed for and on behalf of (Bidder/consortium member)

_____
Signature:

_____
Position:

_____
Name:

_____
Address:

_____
POWER OF ATTORNEY ATTACHED: (YES/NO)

_____

Date:

_____

(Please return this declaration on your company's letterhead.)

WITNESSES

WITNESS I

.....
NAME:
CNIC NO.:

WITNESS II

.....
NAME:
CNIC NO.:

ANNEXURE G – INTEGRITY PACT

DECLARATION OF FEES, COMMISSION AND BROKERAGE ETC., PAYABLE BY THE BIDDERS

CONTRACT NUMBER: _____ DATED: [●]

CONTRACT TITLE: CARBON OFFSET PROJECT UNDER PPP MODE

[*Bidder*] hereby declares that it has not obtained or induced the procurement of any contract, right, interest, privilege or other obligation or benefit from Balochistan Public Private Partnership Authority and the Provincial Transport Department, Government of Balochistan (the Procuring Agencies) or any administrative subdivision or agency thereof or any other entity owned or controlled by it (i.e., the Procuring Agencies) through any corrupt business practice.

Without limiting the generality of the foregoing, [*Bidder*] represents and warrants that it has fully declared the brokerage, commission, fees etc., paid or payable to anyone and not given or agreed to give and shall not give or agree to give to anyone within or outside Pakistan either directly or indirectly through any natural or juridical person, including its affiliate, agent, associate, broker, consultant, director, promoter, shareholder, sponsor or subsidiary, any commission, gratification, bribe, finder's fee or kickback, whether described as consultation fee or otherwise, with the object of obtaining or inducing the procurement of a contract, right, interest, privilege or other obligation or benefit, in whatsoever form, from the Procuring Agencies, except that which has been expressly declared pursuant hereto.

[*Bidder*] certifies that it has made and will make full disclosure of all agreements and arrangements with all persons in respect of or related to the transaction with the Procuring Agencies and has not taken any action or will not take any action to circumvent the above declaration, representation or warranty. [*Bidder*] accepts full responsibility and strict liability for making any false declaration, not making full disclosure, misrepresenting facts or taking any action likely to defeat the purpose of this declaration, representation and warranty.

[*Bidder*] agrees that any contract, right, interest, privilege or other obligation or benefit obtained or procured as aforesaid shall, without prejudice to any other right and remedies available to the Procuring Agencies under any law, contract or other instrument, be voidable at the option of the Procuring Agencies.

Notwithstanding any rights and remedies exercised by the Procuring Agencies in this regard, the [*Bidder*] agrees to indemnify the Procuring Agencies for any loss or damage incurred by it on account of its corrupt business practices and further pay compensation to the Procuring Agencies in an amount equivalent to ten times the sum of any commission, gratification, bribe, finder's fee or kickback given by [*Bidder*] as aforesaid for the purpose of obtaining or inducing the procurement of any contract, right, interest, privilege or other obligation or benefit, in whatsoever form, from the Procuring Agencies.

ACKNOWLEDGED, ACCEPTED & AGREED FOR & ON BEHALF OF:	ACKNOWLEDGED, ACCEPTED & AGREED FOR & ON BEHALF OF:
Balochistan Public Private Partnership Authority, GOVERNMENT OF BALOCHISTAN, THROUGH ITS DULY AUTHORIZED SIGNATORY	[INSERT NAME OF BIDDER], THROUGH ITS DULY AUTHORIZED SIGNATORY
……	……
(SIGNATURE)	(SIGNATURE)

NAME:

DESIGNATION:

NAME:

DESIGNATION:

FORM H - 1
BASIC INFORMATION FORM

[Provide here a brief description of the background and organization of your firm/entity and each Member for this Project]

Each firm or member of the Consortium must fill in this form.

Basic Information Form (Company Profile)

All individual firms and each Member of the Consortium are requested to complete the information in this form.

1	Name of firm (legal): (In case of Consortium, legal name of each member	
2	Nature of Business: (Whether the firm is a Corporation, Partnership, Trust *etc.*) (In case of Consortium; whether the Lead Consortium Member is a Corporation, Partnership, Trust etc.)	
3	Head Office address:	
4	Telephone: Fax Number: E-mail address:	
5	Place of Incorporation/Registration: Year of Incorporation/Registration:	
6	Applicant's authorized representative: Telephone: Fax numbers: E-mail address:	
7	Nationality Of Owners	
	Name:	Country:

FORM H - 2

HISTORICAL NON-PERFORMANCE, BLACK LISTING AND PENDING LITIGATION

Non-Performing Contracts			
❑ Contract non-performance did not occur within the last five (5) years prior to the deadline for bid submission based on all information on fully settled disputes or litigation (Affidavit to be provided) ❑ Contract non-performance during the stipulated period,			
Year	Outcome as Percent of Total Assets	Contract Identification	Total Contract Amount (current value, PKR)
		Contract Identification: Name of Employer: Address of Employer: Matter in dispute:	

Black Listing
❑ Bidder shall not be black listed by government/semi government/autonomous/private organizations (Affidavit to be provided)

Failure to Sign Contract

Bid Security Declaration
❑ Bidder shall not be under execution of a Bid–Securing Declaration (Affidavit to be provided)

Conflict of Interest: Attach Affidavit

Pending Litigation			
❑ No pending litigation (A fully settled dispute or litigation is one that has been resolved in accordance with the Dispute Resolution Mechanism under the respective contract and where all appeal instances available to the Bidder have been exhausted) (Affidavit to be provided) ❑ Pending litigation (All pending litigation shall in total not represent more than 50% of the Bidder's Net Assets and shall be treated as resolved against the Bidder)			
Year	Outcome as Percent of Total Assets	Outcome as Percent of Total Assets	Total Contract Amount (PKR)
		Contract Identification: Name of Employer: Address of Employer: Matter in dispute:	

FORM H - 3
FINANCIAL SITUATION

Financial Data for Previous 3 Years

Information from Balance Sheet

CASH AND FUNDING LINES (AMOUNT IN PKR)			
	Year 1	**Year 2**	**Year 3**
Cash and Bank Balances			
Short term investments			
Funding Lines			
Total			

- ❑ Proof of funding lines such as term sheets, commitment letters etc. with financial institutions (if applicable) must be attached. The Bidders must provide such proof by way of confirmation of the respective financial institution(s) which has provided such funding lines.

NET WORTH (AMOUNT IN PKR)			
	Year 1	**Year 2**	**Year 3**
Total Assets			
Less: Total Liabilities			
Total			

- ❑ Copies of audited financial statements and wealth statements (where applicable) which shall be signed and stamped by the auditor of the Bidder / respective Consortium Members (balance sheets including all related notes, and income statements) for the last three (3) years, as indicated above, complying with the following conditions:

  - All such documents reflect the financial situation of the Bidder / every Consortium Member, and not sister or parent companies.
  - Historic financial statements must be audited by a certified accountant.
  - Historic financial statements must be complete, including all notes to the financial statements.
  - Historic financial statements must correspond to accounting periods already completed and audited (no statements for partial periods shall be requested or accepted).
  - National tax number certificate (or equivalent) must be attached.
  - Tax return filed must be provided.
  - Foreign Bidders / Consortium Members should submit Registration / NTN certificate (or equivalent) of their country duly attested by consulate of their country.

FORM H - 4

CURRENT CONTRACT COMMITMENTS/WORKS IN PROGRESS

Bidders and each member to the Consortium should provide information on their current commitments on all contracts that have been awarded, or for which a letter of award or acceptance has been received, or for contracts approaching completion, but for which an unqualified, full completion certificate has yet to be issued.

Current Contract Commitments						
No.	Name of Contract	Employer's Contact Address, Tel, Fax	Total Estimated value [PKR]	Project Duration	Estimated Completion Date	Outcome of the Project
1						
2						
3						
4						
5						

FORM H - 5

DETAILS OF CONTRACTS – BIDDER'S EXPERIENCE IN CONTRACTS OF SIMILAR NATURE AND COMPLEXITY (COMPLETED)

Note: Using the format below, provide information on each assignment for which your firm, and each associate for this assignment, was legally contracted either individually or as a corporate entity or as one of the major companies within an association, for development and implementation of Nature-based projects in the AFOLU sectors, climate and sustainability focused projects and carbon market projects.

Projects will only be evaluated for scoring if the completion certificates or a copy of contract is provided.

<table>
<tr><td colspan="2">ASSIGNMENT NAME:</td><td>COUNTRY:</td></tr>
<tr><td colspan="2">LOCATION WITHIN COUNTRY:</td><td>PROFESSIONAL STAFF PROVIDED BY APPLICANT FIRM:</td></tr>
<tr><td colspan="2">NAME OF CLIENT:</td><td>NO. OF STAFF:</td></tr>
<tr><td colspan="2">ADDRESS:</td><td>NO. OF STAFF MONTHS:</td></tr>
<tr><td>START DATE(MONTH/YEAR):</td><td>COMPLETION DATE(MONTH/YEAR):</td><td>APPROX. VALUE OF SERVICES (IN CURRENT USD/PKR):</td></tr>
<tr><td colspan="2">NAME OF ASSOCIATED FIRM(S), IF ANY:</td><td>NO. OF MONTHS OF PROFESSIONAL STAFF PROVIDED BY ASSOCIATED FIRM(S):</td></tr>
<tr><td colspan="3">NAME OF SENIOR STAFF (PROJECT DIRECTOR/CO-ORDINATOR, TEAM LEADER) INVOLVED AND FUNCTIONS PERFORMED:</td></tr>
<tr><td colspan="3">NARRATIVE DESCRIPTION OF PROJECT:</td></tr>
<tr><td colspan="3">DESCRIPTION OF ACTUAL SERVICES PROVIDED BY YOUR STAFF:</td></tr>
<tr><td colspan="3">NAME(S) OF THE CONSORTIUM MEMBER(S), IF ANY:</td></tr>
</table>

Note: Documentary proof (i.e., work order and completion certificate) to be attached.

FORM H - 6
CURRICULUM VITAE (CV) OF KEY INDIVIDUALS

1. Proposed Position [*only one candidate shall be nominated for each Key Individual position*]:
_____

2. Name of Firm [*Insert name of firm proposing the Key Individual*]:
_____

3. Name of Staff [*insert full name*]:
_____

4. Date of Birth: _____

5. Nationality: _____

6. Educational Qualification: [*Summarize college/university and other specialized education of staff member, giving names of schools, dates attended and degrees obtained*]:

7. Membership of Professional Societies: _____

8. Other Training [*indicate significant training since degrees acquired under point 6 above*]

9. Countries of Work Experience: [*list countries where staff has worked*]:

10. Languages [*for each language indicate proficiency: good, fair, or poor in speaking, reading and writing*]:

11. Employment Record/Work Experience:

[*Starting with present position, list in reversed order, every employment held by staff member since graduation, giving for each employment (see format here below): dates of employment, name of employing organization, position held*]:

From [Year]: To [Year]:
Employer:
Position held:

12. Detailed Tasks Assigned [List all tasks to be performed under this assignment]:

13. Certification:

I, the undersigned, certify that to the best of my knowledge and belief, this CV correctly describes my qualifications, my experience, and myself. I understand that any wilful misstatement described herein may lead to my disqualification or dismissal, if engaged.

I certify that I have been informed by the Bidder that it is including my CV in the Proposal for the [*insert name of project and contract*]. I confirm that I will be available to carry out the assignment for which my CV has been submitted in accordance with the implementation arrangements and schedule set out in the Proposal[2].

Signature of the Candidate:
Place:
Address:
Telephone No.:
Date:

[2] *If the undersigned is not a present employee of the Bidder, then this paragraph is to form part of the CV;*

FORM H - 7

DESCRIPTION OF APPROACH, METHODOLOGY AND WORK PLAN

The approach and methodology will be detailed precisely under the following topics.

[Technical approach, methodology, and work plan are key components of the First Stage Technical Proposal. You are suggested to present your First Stage Technical Proposal divided into the following chapters]:

A. **Project Understanding and Approach:** Demonstration of a clear understanding of the project's objectives and challenges in accordance with Volume II (Project Scope) and Volume III (PPP Agreement), each of the RFP

B. **Methodology and Work Plan:** Proposed methodology for project design, planning, development, implementation, financing, stakeholder engagement, monitoring, reporting, knowledge and technology transfer, etc, in accordance with Volume II (Project Scope) and Volume III (PPP Agreement), each of the RFP

C. **Local Community HR:** Strategy to engage Local HR with Recruitment Plan and Strategy.

The concept plan and design shall be evaluated keeping in mind various aspects including but not limited to those outlined in 'Scope of Work' and 'Draft PPP Agreement'.

The Bidders shall be required to demonstrate their vision for development of the ARR Carbon Market Project and how they plan to undertake the development and implementation.

Marks would be awarded on the basis of value addition provided in the business plan and the rationale behind the plan, additionally adherence with carbon market project development practices, together with demonstration of the implementation team's past record on delivering on of such concepts.

FORM H - 8
FINANCIAL BID FORM

BIDDING FORM F1 – LETTER OF FINANCIAL PROPOSAL

[Date]

To: **CEO, Balochistan PPP Authority,**
49-A, Jinnah Town, Quetta.

Re: Design, Build, Finance, Operate, Maintain And Transfer An Afforestation, Reforestation And Revegetation (Arr) Project In Balochistan *under Public Private Partnership Mode*' (the **"Project"**).

Dear Sir,

Reference the Request for Proposals document issued on [*To be inserted*] by the Procuring Agencies (the "**RFP**") in relation to the Project.

We, [*name of the Bidder*] hereby submit our Financial Proposal in conformity with the requirements of the RFP.

All capitalized terms unless defined herein shall bear the meaning as ascribed thereto in the RFP.

We, agree, confirm, undertake and declare that:

(a) We have examined and have no reservations to the RFP, including Addenda No(s).....

(b) We, [including all Consortium Members,] fully and completely understand and accept the terms of the RFP and hereby undertake to comply with the requirements specified therein.

(c) We offer to perform and undertake the works and services in respect of the Project in conformity with the RFP, including the Project Agreements, without any omission, reservation and deviation; and we accept and undertake to comply with all requirements in the RFP including the appendices / annexures attached to the RFP.

(d) We, [including all Consortium Members,] as per the requirements of the RFP, respectively:

  (i) have nationalities of Eligible Countries; and

  (ii) have not been declared ineligible/blacklisted by any of our employers, by any Federal or Provincial governmental or non-governmental department/ agency in Pakistan, [or any other provincial government/ governments of any foreign countries or their governmental bodies and/or International Organizations (e.g., World Bank, Asian Development Bank, United Nations, International Monetary Fund etc.),] as at the Bid Submission Date.

(e) We, [including all Consortium Members], as per the requirements of the RFP, do not have any conflict of interest.

(f) Neither we, [including all Consortium Members,] nor any Affiliate:

  (i) are included as a debarred person pursuant to the public sanctions list of any

multilateral development bank that is party to the Agreement on Mutual Enforcement of Debarment Decisions of 9 April 2010 (www.crossdebarment.org); or

(ii) are included on any sanctions lists promulgated by the UN Security Council or its Committees, or any other recognised international sanctions list.

(g) Our Bid consisting of the Technical Proposal and the Financial Proposal shall be valid for a period of one hundred twenty days (120) days from the date fixed for the Bid Submission Date in accordance with the RFP, and it shall remain binding upon us and may be accepted at any time before the expiration of that period.

(h) We understand that all the volumes, appendices/ annexures attached to the RFP are integral part of the RFP.

(i) We have reviewed and accepted the form of the PPP Agreement along with the Appendices attached thereto (attached as Volume III (*PPP Agreement and Schedules*) to the RFP) and undertake to execute the same within the time period stipulated in Notification of Award.

(j) We acknowledge that the GoB Parties will be relying on the information provided in our Bid and the documents accompanying them to determine the Successful Bidder. We certify that all information provided in our Bid is true and correct and that nothing has been omitted which renders such information misleading.

(k) We certify that in the last three (3) years, we have neither failed to perform on any contract, as evidenced by imposition of a penalty by any arbitral or judicial authority or a judicial pronouncement or arbitration award, nor have been expelled from any project or contract by any public authority, nor have had any contract terminated by any public authority for breach by us or, if we are a Consortium, by any of our Consortium Members.

(l) We understand that this Bid, together with your written acceptance thereof included in your Notification of Award, shall constitute a binding contract between us, until the PPP Agreement (attached as Volume III (*PPP Agreement and Schedules*) to the RFP) is executed.

(m) We, [or any of our Consortium Members] (or any of our Affiliates), are not participating as a Bidder in more than one Bid in this Bidding Process in accordance with the requirements of the RFP.

(n) We understand that the Procuring Agencies may cancel the Bidding Process at any time and that the Procuring Agencies is not bound either to accept any Bid that it may receive, without incurring any liability to the Bidders.

(o) We agree to permit the Procuring Agencies and any persons, representatives or auditors appointed and authorized by the Procuring Agencies to inspect and audit our accounts, records and other documents relating to our Bid.

(p) All the information submitted along with our Bid, including the enclosed forms and documents, is accurate in all respects.

(q) We accept the right of the Procuring Agencies to: (i) request additional information reasonably required to assess the Bid; (ii) amend the procedures and requirements or make clarifications thereof; and (iii) extend or amend the timelines as stipulated in the RFP.

(r) All information, representations and other matters of fact communicated (whether in writing or otherwise) to the Procuring Agencies by us or on our behalf, in connection with or arising out of the Bid are true, complete and accurate in all respects.

(s) We hereby declare that all the information and statements made in this Bid are true and accept that any misrepresentation contained in it shall lead to our disqualification, forfeiture of the Bid Security and/or our blacklisting by the Procuring Agencies.

(t) We, [including all Consortium Members,] have made our own investigations and research and have satisfied ourselves in respect of all matters (whether actual or contingent) relating to the Bid and the Project.

(u) We undertake, if our Bid is accepted, to furnish the Performance Security as per the requirements of the RFP.

(v) We do hereby declare that the Bid is made without any collusion, comparison of figures or arrangement with any other person or persons making a Bid for the Project.

(w) We understand that the RFP has been issued by the Procuring Agencies for the Project; and we undertake and confirm that if our Bid is accepted, we and the SPV (to be incorporated by us, in case the Project is awarded to us), as applicable, shall execute the PPP Agreement (including other Project Agreements) (attached as Volume III (*PPP Agreement and Schedules*) to the RFP) and all other instruments as may be required to be executed in relation to the Project as per the requirements of the RFP.

Name …… In the capacity of ……..

Signed ……

…..... (Seal)…

Duly authorized to sign the Bid for and on behalf of: (*Insert Name of the Bidder/names of all Consortium Members*)

Date ……..

Witness # 1:

Signature: _____

Name: _____

Designation: _____

Date: _____

CNIC/Passport No.:_____

Witness # 2:

Signature: _____

Name: _____

Designation: _____

Date: _____

CNIC/Passport No.:_____

BIDDING FORM F2 – FINANCIAL PROPOSAL STANDARD FORM

This form shall be used for the preparation of the Financial Proposal. Notes:

- *The 'Additional GoB Revenue Share (%)' (as denoted by 'X' in the table below) shall be the Bid Price.*
- *The Bidder who quotes the highest 'Additional GoB Revenue Share (%)', using a single percentage share of the Net Base Carbon Revenue and the Non-Carbon Revenue, will be considered as the Successful Bidder.*
- *The 'Additional GoB Revenue Share (%)' shall be above and beyond the fixed 'Minimum GoB Revenue Share (%)', i.e. Ten percent (10%) of the Net Base Carbon Revenue and the Non- Carbon Revenue.*
- *Please refer to the 'Illustrative Example' set out below for clarity with respect to the mechanism through which the Net Base Carbon Revenue, GoB Revenue Share, and the Concessionaire Revenue Share may be calculated (subject to the assumptions set out therein), based on the Additional GoB Revenue Share (%) quoted.*
- *'X' shall be a single value and the same percentage shall be applied to both the Non-Carbon Revenue and the Net Base Carbon Revenue*

Bidders are required to fill in the value of 'X' (to exactly two decimal places) and the resulting '*Total GoB Revenue Share*', as applicable to the Net Base Carbon Revenue and the Non-Carbon Revenue, each as a single percentage (to exactly two decimal places) in the table below:

		MINIMUM GOB REVENUE SHARE (%)	**ADDITIONAL GOB REVENUE SHARE (%)**	**TOTAL GOB REVENUE SHARE (%)**
NON-CARBON REVENUE (PKR)		10.00%	**[X]%** *(Quoted to exactly two (2) decimal places)*	[10.00%+[X]%]
CARBON REVENUE (PKR)	**Net Base Carbon Revenue Amount (PKR)**	10.00%		[10.00%+[X]%]

The '*Additional GoB Revenue Share*' (in percentage terms) = [*Insert Percentage Amount in Words*] percent ([*Insert Percentage Amount in Numerical Form*]%) (the "**Bid Price**").

Illustrative Example:

(Note: This illustrative example is provided for informational purposes only and does not provide an exhaustive list of applicable deductions and allocations, nor does it constitute definitive amounts or calculation of the deductions and allocations applicable to the Project. The deductions and allocations, and their respective amounts referenced herein, are hypothetical and solely for illustrative purposes. For the purposes of the Project, all deductions and allocations under the PPP Agreement (including the order of such deductions and allocations) shall be applied in accordance with the Applicable Standards.)

I. Calculation of the carbon credits available for sale: *Relevant Assumptions:*

- *A total of fifty (50) carbon credits have been generated from the Project.*
- *Twelve percent (12%) of the total carbon credits generated from the Project are to be allocated to the buffer pool (in accordance with the requirements of the relevant carbon standard) and, therefore, are not available for sale or revenue generation by the Concessionaire.*
- *Five percent (5%) of the total carbon credits generated from the Project are to be deducted at source, for the purpose of contributing towards Pakistan's Nationally Determined Contributions (NDCs).*

PROJECT CARBON CREDIT GENERATION	PERCENTAGE	UNITS
Total carbon credits generated	-	50.0
Less project carbon standard deduction of Buffer Credits	12.00%	6.0
Less allocation towards Pakistan's NDC under the Carbon Policies	5.00%	2.5
Carbon credits available for sale		**41.5**

II. Calculation of the Net Base Carbon Revenue:

Relevant Assumptions:

- *Row A:*
  - *The cumulative price per carbon credit is assumed to be USD 40/- (US Dollars Forty only).*
- *Row C:*
  - *An exchange rate of USD 1 = PKR 300 has been assumed.*
  - *The gross carbon revenue shall be utilized for further deductions.*
- *Row E: The applicable export sales tax is one percent (1%) of the gross carbon revenue.*
- *Row H: The Carbon Policies require a one percent (1%) administrative fee to be deducted from the gross revenue generated from sale of carbon credits.*
- *Row K: The Carbon Policies require a twelve percent (12%) corresponding adjustment fee to be deducted from the net revenue generated for providing corresponding adjustments.*

			Net Base Carbon Revenue Calculation
Row	**Net Base Carbon Revenue Calculation**	**Assumed Percentage**	**AMOUNT PKR/USD**
	Gross Carbon Revenue		
A	Cumulative price per carbon credit (in USD)		40
B	Gross carbon revenue from sales of carbon credits (in USD)		1,660.00
C	Gross carbon revenue from sales of carbon credits (in PKR)		**Gross Base Carbon Revenue =** **498,000.00**

	Applicable Export Sales Tax		
D	Gross carbon revenue before tax (in PKR)		498,000.00
	Applicable Export Sales Tax		
D	Gross carbon revenue before tax (in PKR)		498,000.00
E	*Less* applicable export sales tax (in PKR)	1.00%	4,980.00
F	Carbon revenue after tax (in PKR)		**493,020.00**
	Carbon Policies (Administrative Fee)		
G	Carbon revenue before administrative fee (in PKR)		493,020.00
H	*Less* administrative fee (in PKR)	1.00%	4,930.20
I	Carbon revenue after administrative fee (in PKR)		488,089.80
	Carbon Policies (Corresponding Adjustment Fee)		
J	Carbon revenue before corresponding adjustment fee (in PKR)		488,089.80
K	*Less* corresponding adjustment fee (in PKR)	12.00%	58,570.776
L	**Net carbon revenues (in PKR)**		**Net Base Carbon Revenue = 429,519.02**

III. Calculation of the GoB Revenue Share and the Concessionaire Revenue Share:

Relevant Assumptions:

- *It is assumed that the total non-carbon revenue is PKR 10,000/- (Pakistani Rupees Ten Thousand only).*
- *The 'Net Base Carbon Revenue', as set out in the preceding table, shall be utilized for*

further calculations.

- *An 'Additional GoB Revenue Share' of fifteen percent (15%) over and above the minimum GoB revenue share percentage has been quoted as the bid price by the Concessionaire.*

		Minimum GoB Revenue Share (%)	Additional GoB Revenue Share (%)	GoB Revenue Share (%)	GoB Revenue Share (PKR)	Concessionaire Revenue (PKR)
Non-Carbon Revenue (PKR)		10.00%	15.00%	25.00%	2,500.00	7,500.00
Carbon Revenue (PKR)	**Net <u>Base</u> Carbon Revenue Amount (PKR)**	10.00%		25.00%	107,379.76	322,139.27
TOTAL					**109,879.76**	**329,639.27**

ANNEXURE I - AFFIDAVIT

NOTES FOR EXECUTION OF AFFIDAVIT

- *The mode of execution of the Affidavit should be in accordance with the procedure, if any, laid down by the applicable laws and the same should be under common seal affixed in accordance with the required procedure.*

- *Also, wherever required, the Bidder (and in case of the Consortium, each member of the Consortium, wherever required) should submit for verification the extract of the charter documents and documents such as a resolution/power of attorney in favour of the person executing this Affidavit for the delegation of power hereunder on behalf of the Bidder.*

- *This Affidavit shall be notarised with the Notary Public.*

- *For an Affidavit executed and issued overseas, the document will also have to be legalised by the Pakistani Embassy and notarised in the jurisdiction where the Affidavit is being issued.*

In case of Consortium, every consortium member firm should provide affidavit separately

Please find below the form and substance of the Affidavit.

AFFIDAVIT

DATED:

_____

[●]
[●]
[Address]

We, [*insert name of Bidder*] hereby represent and warrant that, as of the date of this Affidavit [*name of Bidder/lead member of consortium/JV*], and each member of our consortium/JV (if applicable):

a. are not in bankruptcy or liquidation proceedings;

b. are not blacklisted by any governmental or non-governmental department/agency;

c. have not been convicted of fraud, corruption, collusion or money laundering;

d. are not aware of any conflict of interest or potential conflict of interest arising from prior or existing contracts or relationships which could materially affect our capability to comply with the obligations under the PPP Agreement;

e. [are legally and financially autonomous and operate under commercial law][3];

f. [there is no pending litigation which represents more than fifty percent (50%) of our Net Assets][4];

g. [are not under any non-performance of a contract within last two (2) years of the Bid Submission Date][5]; and

h. [have not failed to sign a contract with any procuring authority following award][6].

We have also attached proof of registration of each member, if applicable, from the relevant statutory authority.

Yours sincerely,

SIGNATURE OF AUTHORIZED SIGNATORY:	[●]
NAME AND TITLE OF SIGNATORY:	[●]
NAME OF FIRM:	[●]
ADDRESS:	[●]

[3]Only relevant for the government owned legal enterprise or institution.

[4]If applicable;

[5]If applicable;

[6]If applicable;

Bid Evaluation Criteria

EVALUATION CRITERIA

Bids of only those Bidders shall be considered who meet the basic eligibility criteria set forth in Annexure A (*Basic Eligibility Criteria*)

The Implementing Agency shall attribute a technical score to responsive Technical Proposals.

Technical Proposals scoring less than **70 POINTS** shall be rejected.

The technical evaluation score shall be determined as per Annexure B – Technical Evaluation Criteria:

For technical qualification, a Bidder must score at least *Seventy (70)* or more marks. The detailed technical evaluation criteria for Technical Proposal is set out in Annexure B (*Technical Evaluation Criteria*).

The Bidder quoting the Highest Additional GOB Revenue Share (%) under Annexure H-8 (Financial Bid Form) shall be declared as the Preferred Bidder.

VOLUME 2:
TECHNICAL DOCUMENT AND SCOPE OF WORK

1. PROJECT DETAILS - BACKGROUND

This section details the technical scope of work for the Project and is divided into further subsections comprising of relevant phases, components, and features where applicable; proposed details of utilities provision; and technical quality standards to be followed. The aim is to engage a Private Sector Entity (PSE) under Public-Private Partnership (PPP) with the Balochistan Public-Private Partnership Authority (BPPPA) for the Afforestation, Reforestation and Revegetation (ARR) Project across 34,351 ha of eligible land across mangrove sites located in Districts Gwadar and Lasbela, and develop this project as a carbon market project.

The primary objectives of engaging a concessionaire are:

- To restore degraded mangrove ecosystems and landscapes through afforestation, reforestation, and revegetation.
- To enhance carbon sequestration and biodiversity conservation in the project areas.
- To generate carbon credits
- To implement sustainable forest management practices and knowledge transfer.
- To promote socio-economic development of local communities dependent on forest resources.

The concessionaire is expected to work with BPPPA, local communities and relevant stakeholders to develop a viable and informed project design to work towards environmental resilience and socio-economic upliftment across the coast of Balochistan by leveraging the carbon markets.

2. **ARR Project Design and Master Plan**

The ARR Project Design and Master Plan master plan should cover specifications and details on how the bidder aims to design, develop and implement the ARR project as a carbon market project, ensuring alignment with '*Scope of Work*' and Volume III (*PPP Agreement*) . Please find the site assessment attached in '*Site Assessment*'.

3. DEVELOPER'S SCOPE OF WORK

GENERAL:

The private sector entity (hereinafter referred to as "the PSE") will be responsible for executing the project over a 45-year period (O&M Period). This Scope of Work (hereinafter referred to as "SoW") outlines the responsibilities of the PSE across 04 phases spanning project design and development, implementation and closure, ensuring multi-faceted due-diligence, cognizant of national and international guidelines, and alignment with carbon market standards. The PSE will ensure coordination and alignment with BPPPA, local communities, and all involved stakeholders to deliver a collaborative process, aligning closely with national and international guidelines and requirements.

The total tenor of the project spans 45 years (O&M Period). The scope of work for the Concession period is noted as follows:

Phases		**Goal and Description**	**Expected Outcome**
Phase 1	**Design and Development**	To establish a strong foundation by conducting feasibility studies, baseline assessments, and community consultations, and by finalizing the project design in line with carbon standard requirements.	Approved project design and documentation; validated baseline studies; established monitoring framework; secured community consent (FPIC); and validation under the selected carbon standard.
Phase 2	**Implementation Stage**	To bring the project to life through site preparation, nursery development, large-scale mangrove plantation, and active engagement of local communities in implementation.	Successful site preparation and plantation of mangroves; operational nurseries; active participation of local communities; and functioning monitoring systems in place.

Phase 3	**O&M Stage**	To ensure long-term success by maintaining plantations, monitoring growth, verifying carbon performance, and securing credit issuance through adaptive management.	High plantation survival rates; verified growth and carbon sequestration data; issuance of verified carbon credits; and strengthened community capacity for ongoing management.
Phase 4	**Project Closure, Partnerships and Knowledge-Sharing**	To conclude project activities with comprehensive reporting, foster lasting partnerships, and share knowledge and best practices for replication and scaling in other regions.	Comprehensive final reports submitted; partnerships established for long-term sustainability; lessons learned documented; and knowledge shared for replication and scaling in other regions.

4. Design and Development Stage

a. Project Preparation

Establishment of Project Office

The PSE will establish a project office in Gwadar/Lasbela Districts, and a field office in the project area, identifying a location in consultation with the BPPPA to ensure efficient, effective, and coordinated operation of the project. The project offices will serve as critical administrative units from where the project teams will operate and coordinate the project, maintaining on-ground presence and coordinating with relevant stakeholders. The offices will include relevant human resource personnel who will be responsible for execution of the ARR Project. The project offices will operate as critical hubs to develop, implement and manage the project, maintaining on-ground presence and coordinating with stakeholders. The offices will include relevant administration and human resource personnel who will be responsible for oversight and implementation of the project throughout the 30-year period. The location may be subject to change as per project requirements during phases 1 and 2, however, any decision pertaining to the location and/or potential relocation over the project period must be taken in consultation with BPPPA.

- **Project Office in Gwadar/Lasbela District**

The establishment of the project office must remain cognizant of the following requirements to ensure an effective, efficient and coordinated process:

- **Location**: The location must be decided in consultation with the BPPPA and be strategically positioned as a central and accessible area in any of the two districts. PSE must remain cognizant of the fact that the project sites are located across the coast of 02 districts, hence, the proposed location may be ideally positioned to allow ease of access. It must be located at an optimal distance to relevant offices such as forest offices, transportation routes.

- **Infrastructure and Facilities**: The office will be the working space for both the administrative and technical staff, and must provide them with the required space, services such as power supply, and facilities to ensure efficient project delivery. The office must include relevant furniture and supplies, including an adequate IT infrastructure with high-speed internet. Computers, printers, and other IT facilities' must be included.

- **Vehicles and Transport**: The project office must include 01 vehicle to enable team travel for project related operations and activities.

- **Operations and Human Resource**: The project team will be recruited composed of both administrative and technical personnel who will ensure informed delivery of the project and effective communication across all stakeholders, and possess a sound understanding of the carbon market landscape. The project office will operate with regular working hours and days.

- **Field Office in Project Area**

The establishment of the field office must remain cognizant of the following requirements to ensure an effective, efficient and coordinated process:

- **Location**: The location must be decided in consultation with the BPPPA and be strategically positioned as a central and accessible area in t any of the two districts. It must be located at an optimal distance to relevant offices such as forest offices, transportation routes.

  During implementation stage, nurseries will also be developed by PSE to ensure swift and efficient plantation. Hence, selection of field office area may remain cognizant of this and select a suitable location where nurseries may be developed.

- **Infrastructure and Facilities**: The office will be the working space for both the administrative and technical staff, and must provide them with the required space, services such as power supply and facilities to ensure efficient project delivery. The office must include relevant furniture and supplies, including an adequate IT infrastructure with high-speed internet. Computers, printers, and other IT facilities' must be included to ensure communication and coordination with the project office. Ample storage facilities to be available to store field office equipment, tools and items. Health and safety equipment must also be included, including first aid kits and supplies to address any emergencies or natural risks. The office must also include a lab with adequate space and resources to ensure project delivery. It is preferred that the field office may also have a solar unit to provide energy, as a backup option.

- **Vehicles and Transport**: The project office must include vehicles/bikes to enable team travel for project related operations and activities, especially to access project areas.

- **Operations and Human Resource**: The field office will oversee and direct field operations for the project, including maintenance, monitoring and reporting. The field office team will be recruited composed of both administrative and technical personnel who will ensure informed delivery of the project across the sites and effective communication. This will include field supervisors, forest technicians and community liaison officers, hired from the local communities. PSE may consult with BPPPA to decide and finalize required personnel. The field office will operate with regular working hours and days.

b. Project Team Recruitment and On-Boarding

The PSE will recruit members of the project team, developing cohesive Terms of References (TORs) that align with the required qualifications and expertise for the ARR project. Proposed qualifications for the identified project personnel are provided. These will be shared with the BPPPA for further approval.

The team will be responsible for management and delivery of the project, providing multi-disciplinary guidance focusing on technical, legal, social, environmental and operational aspects. While recruiting the personnel, PSE must adhere to the following requirements:

- Ensure a transparent and inclusive hiring process, upholding the principles of fairness and equality and carefully assessing applicants to identify one that aligns with the identified criteria and role.
- The PSE may engage with the BPPPA and/or Balochistan Forest Department to design and develop a robust criteria for the hiring of project personnel, identifying the roles and required expertise of each member. The priority must be to select highly qualified and experienced candidates who are motivated to accelerate the ARR project for the province of Balochistan, and possess demonstrated experience in similar projects, forest carbon and blue carbon interventions, and environmental efforts.
- Local community engagement through green employment through the ARR project is a priority and labor-intensive and forest specific jobs such as plantation and/or watch and ward must be provided to local community members across the project sites. They may be hired either on daily wage of monthly renumeration, ensuring community inclusion. Gender and social inclusion must be a ley consideration within this process.

- Once recruited, the team members must be accustomed to the project through an on-boarding process in which they are briefed about the project activities and relevant stakeholders. This will serve as an initial orientation to the project, followed by specific training workshops on critical project components such as blue carbon monitoring and/or community inclusion through FPIC. It is the PSE's responsibility to ensure that the hired personnel are capacitated and ready to deliver the project, ensuring rapid and efficient staff operations and mobilization.
- The PSE must provide a hiring, on-boarding and orientation plan and schedule in this regard, outlining relevant training and capacity-building that may be conducted to ensure the team is equipped to undertake project activities.
- A Monitoring & Evaluation (M&E) plan will be developed for the project team by the PSE to track and monitor progress. Additionally, the PSE will develop Standard Operating Procedures (SOPs) and guidelines to ensure key administrative components such as work hours, work days, and more. To ensure swift coordination and monitoring, the PSE may share this with the BPPPA to ensure a robust oversight of project management and delivery.

To undertake this project, the following roles are recommended, however, the PSE may select suitable personnel and expand roles as per project design and requirements.

Proposed Role		**Responsibility**
1	Project Team Lead/Forest Expert	Provide overall leadership, coordinate project activities, and ensure technical soundness in afforestation and forest management practices.
2	Carbon Finance Expert	Ensure project delivery as a carbon market projects, manage carbon credit transactions, and ensure alignment with global carbon market mechanisms.
3	Forest Carbon or General Greenhouse Gas Accounting Specialist	Design and implement AFOLU and Nature-based Solutions methodologies, ensuring compliance with carbon standards.
4	Environment/Biodiversity Specialist	Safeguard biodiversity, monitor ecosystem impacts, and integrate environmental safeguards into project design.
5	Financial Expert	Oversee project budgeting, financial reporting, and ensure compliance with funding and audit requirements.

6	Community Engagement Specialist	Lead stakeholder consultations, secure FPIC, and design benefit-sharing mechanisms to strengthen community ownership.
7	Legal Expert	Ensure legal compliance with national laws, provincial laws, contracts, land tenure, and more.
8	GIS and Remote Sensing Expert	Provide spatial analysis, mapping, and monitoring support using GIS, drones, and remote sensing technologies.

While the proposed team is recommended to coordinate and ensure project delivery, the PSE may engage personnel as per their requirement and finalize the team in consultation with BPPPA. Community members, as stakeholders and beneficiaries, will play a critical role in the project and provided direct employment for project activities such as plantation and afforestation, watch and ward, maintenance.

5. Comprehensive Project Workplan for the ARR Project, including supporting sections

a. Project Action Plan and Schedule

The PSE will arrange an inception meeting with the BPPPA and relevant project partners such as the Balochistan Forest & Wildlife Department. This meeting will include discussions pertaining to the project development, including crucial features such as the identification of the carbon standard and methodology.

The PSE will develop a Project Action Plan and Schedule for each project phase, outlining how the PSE will undertake and deliver this project, resources that will be mobilized, and the expected workplan/timeline, preferably in Gantt form. The plan will cover each phase of the ARR carbon market project, identifying PSE's role in delivering the ARR project and ensuring development as a carbon market project.

b. Carbon Market Project Plan

The PSE will outline how it aims to develop a carbon market project, especially highlighting adherence to international best practices and guidelines to ensure the delivery of a high-quality project for ARR. The PSE is expected to meet the criteria and standards set by the carbon standards, and internationally acclaimed governmental bodies such as the **Integrity Council for Voluntary Carbon Markets.** The PSE will outline how it aims to develop a carbon market project that is aligned with these requirements, while ensuring integrity, quality, and transparency.

c. Stakeholder Engagement Plan and Community Framework

The PSE will develop a Stakeholder Identification and Engagement Plan aligned with the needs and requirements of the ARR project Action Plan and activities for the development of a carbon market project. The plan will map and identify various stakeholders, from both the public and private domains that may participate in the project in various capacities, this may include training, capacity-building and/or investment or guiding the project design. The plan will also identify the roles and capacities of each stakeholder. PSE will identify an engagement plan and schedule for stakeholders, identifying frequency and goals of engagement. The stakeholder engagement plan will cover all phases of the project and aim to ensure an inclusive and informed process.

- **Carbon Market Project Development**

Additionally, this plan will also outline frequency and modes of engagement with the carbon standard and Validation/Verification Bodies (VVBs) to ensure the development of a carbon market project. Additionally, the PSE will ensure that a robust timeline is proposed aligning with any international or national regulatory requirements. This includes alignment with the deadlines set by VVBs and carbon standards, and those outline in the Pakistan Policy Guidelines for Trading in the Carbon Markets.

- **Community Engagement Plan and Program**

The stakeholder engagement plan will encompass a comprehensive community engagement plan and program identifying how the community will be engaged. The procedure to acquire and maintain Free, Prior and Informed Consent (FPIC) will also be outlined at this stage, including a comprehensive community engagement and inclusion plan for each project stage. This may also include further information on revenue and benefit-sharing mechanisms developed for the carbon market project, capacity building and training, conflict resolution mechanisms, and Standard Operating Procedures (SOPs) for community engagement, ensuring transparency and maintenance of ethics. A Grievance Redress Mechanism (GRM) may also be outlined to ensure inclusive and coordinated project implementation.

- **Capacity Building and Training**

The PSE will include a component on capacity building and training identifying relevant stakeholders, including local communities and project partners, and identifying how they may be capacitated to ensure effective and efficient project delivery. The plan must provide frequency, schedule, and topics of training.

- **Revenue and Benefit-Sharing Mechanism**

The PSE will outline a revenue sharing mechanism that will be decided upon by all stakeholders, along with a benefit-sharing mechanism identifying how each stakeholder will benefit. The plan must align with global best practices, ensuring community inclusion and engagement. The PSE is also required to outline the modes and approaches it will utilize to disseminate benefits, both direct and indirect, from the project to stakeholders, remaining cognizant of utmost financial transparency and accountability. Hence, in consultation with BPPPA it may explore various options such as a digital payment mechanism for local communities, ensuring that the selection is tailored to local landscape and realities.

d. Legal Landscape Assessments and Approvals and Permit Plan

The PSE will provide a detailed plan identifying relevant provincial, national and international **approvals, permits or certifications** that are to be acquired for the development and implementation of the carbon market project to ensure compliance, credibility, and legitimacy of the ARR project. The approvals at each stage are critical to ensure an aligned approach to deliver this intervention, ensuring compliance with key regulations and rules. The PSE will outline their approach and coordination with BPPPA to secure the identified approvals.

- **Provincial Approvals**

The project must comply with the regulations and policies of the Government of Balochistan. The PSE is required to secure necessary permits from relevant departments such as the Balochistan Forest Department. This may include acquisition of a no-objection certificate (NOC) to proceed with activities that may impact forest areas under the department's jurisdiction.
The PSE must also ensure compliance with **environmental and social regulations** of the province. It will ensure adherence to environmental regulations outlined by the Balochistan Environmental Protection Act and the Balochistan Environmental Protection Agency (SEPA) Rules and Regulations.

- **National Approvals**

The PSE must identify any national approvals and permits necessary for the ARR project. As the project has successfully acquired a **Letter of Intent (LOI)** by Pakistan's Nationally Designated Authority (NDA), the Ministry of Climate Change & Environmental Coordination (MoCC&EC), the PSE may continue engagement with NDA if the project decides to opt for authorization of credits, as per the requirements set forth under the Pakistan Policy for Trading in the Carbon Markets. In cases where Article 6 mechanisms of the Paris Agreement are relevant, the PSE must obtain explicit authorization for the project to function within those frameworks. Hence, in this plan, the PSE will outline engagement with MoCC&EC for authorization upon credit issuance. However, this is subject to consultation with BPPPA.

- **International Approvals**

PSE will outline required international approvals the project must comply with to ensure a high-quality carbon market project. PSE will be responsible for:

  - **Registration and Validation of Carbon Market Project**
    PSE will engage with the carbon standard and accredited VVBs to ensure that the project is successfully registered and aligned with the identified standard

and methodology. The PSE must engage internationally accredited Validation and Verification Bodies (VVBs) to ensure the project adheres to rigorous carbon accounting, monitoring, and reporting standards. PSE will ensure that all relevant documents and information is submitted to the relevant body, including a detailed Project Design Document (PDD) and Monitoring, Review and Verification (MRV) reports.

- **Alignment with International Treaties and Frameworks**:
  The project must operate in alignment with international commitments, including the United Nations Framework Convention on Climate Change (UNFCCC), the Convention on Biological Diversity (CBD), and other relevant treaties. This alignment ensures the project supports global objectives for environmental conservation and climate action.

The PSE will ensure this plan identified relevant approvals, permits and/or certifications needed, outlining the approach to acquire along with detailed timelines and documentations required for each step. PSE will also outline responsible authorities to ensure compliance is achieved. While PSE may engage with stakeholders to expedite the process, it is the PSE's responsibility to ensure alignment with BPPPA and relevant stakeholders to ensure timely acquisition of all approvals. PSE will also be responsible for providing regular updated to BPPPA and ensuring coordination in this regard.

e. MRV and Risk Management Plan for the Carbon Market Project

The PSE will develop a comprehensive and multi-faceted Monitoring, Reporting, and Verification (MRV) Plan for the project, encompassing not only the operational and forest focused components, but also environmental, biodiversity and social aspects of the project. The aim of the MRV plan is to ensure accuracy, transparency, and credibility of all information and progress pertaining to carbon sequestration and stock, forest growth, project performance, community inclusion and engagement and co-benefits. The PSE may develop Key Performance Indicators (KPIs) to monitor each aspect of the project, including forest, community, environment, biodiversity and more, ensuring alignment with global best practices and carbon market guidelines. The plan may include a component on integration of resources such as technology that may be utilized to ensure robust and efficient MRV, this includes utilization of remote sensing. The MRV plan will also outline a systematic framework for preparing and submitting accurate, transparent, and verifiable documents, following a strict timeline. Periodic MRV will planning will be ensured while the PSE will be required to share data and documents with the BPPPA on a frequent basis.

The PSE may follow the Climate, Community and Biodiversity (CCB) Standards to develop a robust MRV plan for climate, community, biodiversity aspects of the project, encompassing gender and social inclusion, and integrating key approaches and frameworks required under the carbon standard and methodology, such as the High Conservation Value (HCV) Approach. Monitoring and assessing Sustainable Development Goals (SDGs) may also be integrated, if required under the carbon standard. Additionally, if the project is opting for a specific label or certification, the PSE must tailor the MRV and Risk Plan accordingly. The MRV plan focusing on community will strictly monitor community inclusion and engagement, including dissemination of project benefits will be monitored.

The PSE will also develop a comprehensive risk identification and mitigation plan, referencing critical tools such as Article 6.4 Sustainable Development Tool, and especially focusing on all categories and indicators identified in Verra's AFOLU Non-Permanence Risk Assessment Tool. The plan must outline and specify potential risks across the key categories: Internal Risks, External Risks, Natural and Climate Risks. The PSE may also identify responsible authorities and parties to mitigate and address risks. A data management plan may also be integrated within the MRV to identify how information is to be stored and tracked. PSE must ensure that the MRV and Risk Management Plan is consistent with the identified carbon standard and methodology, and international best practices.

f. Financial Analysis and Resource and Finance Mobilization Plan

- **Financial and Economic Analysis**

The PSE will also conduct a detailed financial and economic analysis for the project, inclusive of a sensitivity analysis as per various pricing scenarios for the carbon credit, to provide a holistic overview of project CAPEX and OPEX costs, and expected financial performance and returns. This will ensure that the PSE is able to identify adequate financial resources to mobilize the required funding. The PSE will identify and assess both carbon and non-carbon revenues the project offers the potential to leverage.

- **Resource and Finance Mobilization**

The PSE will develop a comprehensive Resource and Financial Mobilization plan, outlining the required resources (e.g. technical, human, operational, and more) and funding. The PSE will also identify how it will mobilize the required resources and finance and ensure that the project is

effectively activated. The plan is to detail the financial strategy, sources of funding, and mechanisms for resource allocation, ensuring alignment with the project's goals and timelines.

- **Revenue Sharing and Re-investment**

This plan will encompass the revenue share decided for the project and allocation amongst the main stakeholders: PSE, BPPPA and the local communities. Furthermore, it will identify how carbon revenue is re-invested, including the maintenance of the benefit-sharing structure. The plan will also outline and identify non-carbon revenues that the project may produce, this includes those generated through alternative revenue generating activities such as shrimp farming or honey farming, and more.

g. Sustainability and Exit Strategy

The PSE will develop a comprehensive exist strategy encompassing how the project may sustain its results once the 30-year period is completed. It will identify key sustainability factors that are integrated into the project to ensure maintenance and longevity of project goals and benefits, this includes capacity-building and training components and development of alternative forms of revenue, improved ownership and guardianship of forests, and enhanced community forest management. The PSE may identify and develop sustainability strategies, ensuring that the project longevity is ensured.

- **Technology Transfer Plan**

The PSE will integrate a technology-transfer plan within this report, identifying how it will ensure that BPPPA and Balochistan Forest Department retain, maintain and utilize the technologies procured for this project, leveraging them to maintain the project's longevity. The plan will identify the relevant training and capacity building workshops that the PSE will organize to ensure the sustainability of this project. It will also integrate community members, identifying how they may be trained in this regard.

h. Monitoring, Due-Diligence and Quality Assurance Plan for the PSE

The PSE is required to share with BPPPA a monitoring, due-diligence and quality assurance/quality control (QA/QC) plan it aims to follow to ensure the delivery of this assignment. The aim of this plan is to outline how PSE will ensure the quality, transparency, and efficiency of its operations, and ensure report it to BPPPA. The PSE is required to align its operations and delivery of this project with critical international standards such as International Finance Corporation's (IFC) Performance Standards and World Bank's Environmental and Social

Standards (ESS), to commit to good practice to manage and deliver this project, and contributing to the delivery of high-quality project design. This is necessary to ensure the ARR project remains is environmentally sustainable, socially inclusive, and aligned with international best practices for responsible project management, contributing to enhancing the credibility, integrity, transparency, and accountability as a carbon market project.

Additionally, the PSE may also maintain a set of policies to ensure it operated in adherence to international and national best practices. PSE is required to share, if existing, or draft, key policies and Standard Operating Procedures (SOPs) including an HR policy, Equal Employment Opportunity Policy, Gender Inclusion, Non-Discrimination and Anti-Harassment Policy, Ethics Policy, Financial Transparency and Anti-Bribery Policy, Grievance Redressal Mechanism policy, Occupational Health and Safety Policy, Environment and Sustainability Policy. The policies and SOPs must cover key operational areas such as environmental compliance, social safeguards, governance, risk management, and sustainability. Additionally, they should include clear protocols for their implementation, monitoring, documentation, and reporting to ensure that all activities are conducted in a structured and accountable manner. The PSE may also develop a policy/SOP on Environmental, Social and Governance (ESG) compliance, incorporating each pillar into planning, implementing and delivery of the project activities.

The PSE may also ensure that is followed and maintains high-standards in its approach through a QA/QC plan. The PSE is required to implement stringent quality assurance protocols to monitor and uphold the reliability and effectiveness of its operations, from planting and maintenance to monitoring and reporting. The PSE will also outline its reporting and engagement with BPPPA, outlining the modes of engagement and timeline of sharing monitoring and review progress.

i. Carbon Credit Marketing and Business Plan

The PSE must develop a comprehensive plan to outline how it aims to market the carbon credit project and provide a robust business case.

- **Branding and Concept Development**

The plan must identify how to leverage the potential of the project, ensuring commercialization across the globe to attract potential buyers. The plan may outline how the carbon market project may develop a grounded business case, touching upon the human and environmental aspects of the project, and ensuring that the essence of the project is adequately captured through this marketing strategy.

- **Marketing and Awareness**

Additionally, the PSE must outline marketing channels and platforms that it aims to leverage, including various national and international entities from the private sector and/or carbon market platforms. PSE may also identify commercialization mechanism such as direct agreements, spot sales, and more. The PSE will also outline strategic techniques it may use to market the project, while fostering awareness of this initiative and providing a platform for local communities to share their experience. A key suggestion is to utilize social media, through the development of a website and separate platform profiles (e.g. X, Instagram, Facebook) in order to develop and disseminate the project's critical narrative. The plan must also include a section on potential risks and how the PSE aims to manage and address any potential risks to the marketing and commercialization of credits.

By meeting these requirements, the PSE will ensure that the carbon credits generated from the project are effectively commercialized and marketed, maximizing revenue while maintaining compliance with national and international standards. This approach will also enhance the project's credibility, transparency, attract premium buyers, and deliver long-term environmental, social, and economic benefits.

j. Project Baseline Assessment and Analysis

The PSE will develop a comprehensive and informed baseline assessment and analysis, aligned with the identified carbon standard and methodology, in order to formulate and complete the PDD. The PSE will be required to develop a checklist and identify the components it must develop to fulfill the PDD (for example, if VCS+CCBS is selected as PDD template, the PSE will identify required information, develop a checklist, and ensure timely completion and preparation for listing and subsequent registration). The PSE is expected to conduct site visits and engage with local communities and relevant stakeholders to deliver each component. This may include, but is not limited to, the following:

k. Land Cover and Land Use Change Analysis

The PSE will engage closely with the project sites, and develop a comprehensive land cover and land use change analysis assessment, outlining the historical, current and projected state of the project area. The land use change will be accurately mapped and depicted through maps, where relevant, utilizing high-resolution satellite imagery, to map and classify the various land cover types. Advanced techniques, including supervised classification or machine learning algorithms,

will enhance the accuracy of the analysis. To validate the satellite data, field teams will conduct ground-truthing surveys, visiting sample sites representative of different land cover categories. By comparing historical and current imagery, the PSE will gain valuable insights into land cover changes over time, providing a clear picture of baseline conditions. This analysis requires access to reliable satellite data, GIS software for mapping, and field teams equipped with GPS tools for on-site validation. The PSE will also assess and identify macro- and micro-drivers of degradation, assessing the sources and factors that influence LULC and land degradation.

l. Legal and Regulatory Assessment

The PSE will also include legal and regulatory assessments scoping relevant legal instruments that impact or govern the project area. The focus will scope across key aspects of the project such as operational, technical, economic, especially community and environmental;

m. Carbon Stock Assessment and Emission Analysis

As per the identified methodology, the PSE will examine and assess the carbon stock of the project sites to understand its potential as a carbon market project. The PSE will conduct extensive field surveys and measure both above-ground biomass and below-ground biomass using systematic sampling techniques. Scientifically validation allometric equations will be utilized. Data will be gathered through field work and site assessments and integrated with remote sensing outputs to create a comprehensive picture of the carbon stock baseline. This process will draw upon specialized tools, laboratory facilities for soil analysis, and expertise in carbon accounting methodologies aligned with IPCC guidelines or similar standards.

n. Socio-Economic and Environmental Baseline

The PSE will undertake a socio-economic profiling and baseline assessment of the local communities residing across the project area, providing critical insights into social and economic aspects such as demographics, employment, livelihoods, dependency on mangrove forests, and more. This will include conducting consultations and discussions with local communities. PSE will also assess existing vulnerabilities and conditions across the project area, especially identifying critical issues such as lack of water and sanitation and/or education access. This baseline will also identify and inform the acquisition of FPIC and development of the maintenance plan. It is important to note that the FPIC will also be acquired at this stage, prior to the development of the PDD.

The project area's biodiversity and the ecosystem services it provides will be systematically documented through field surveys. Using techniques like transects, quadrats, and camera traps, the PSE will inventory flora and fauna, noting species presence and abundance. Alongside this, threats to biodiversity, such as habitat fragmentation or invasive species, will be analyzed. The biodiversity assessment will rely on collaboration with IUCN / WWF to ensure accurate species identification and robust data collection.

Additional components and information will be identified as per the selected standard and methodology. The PSE will be required to closely engage with the project sites, stakeholders, including BPPPA and the Balochistan Forest Department, and local communities, to conduct this activity.

o. Environmental and Social Impact Assessment (ESIA) Development and Submission

PSE will develop a comprehensive ESIA to submit to the Balochistan Environmental Protection Agency (BEPA), aligning the process and development with the relevant rules and regulations. The PSE must ensure that it aligns action with the relevant guidelines and regulatory requirements and deliver a robust ESIA for approval by the BEPA.

6. Project Design Development

The baseline assessment and project area review conducted in alignment with the identified standard and methodology will provide a comprehensive, localized and informed overview of the project area, highlighting its ecological, carbon, and socio-economic aspects. This is crucial to identify how the PSE, in consultation with BPPPA and relevant stakeholders, will design the project, identifying critical features and design components such as afforestation and plantation durations, techniques, species selection, nursery development, community inclusion, and overall project management, inclusive of hiring and staffing. This comprehensive baseline will serve as the foundation for project planning, enabling the PSE to design effective interventions, monitor progress, and ensure compliance with environmental and carbon market standards. By adopting this thorough approach, the PSE demonstrates its commitment to evidence-based decision-making and sustainable development. Based upon the findings and assessment, the PSE will propose a project ARR design with specifications in this phase.

7. Carbon Market Project Listing and Registration

a. Project Description Document (PDD) Development

In consultation with BPPPA, the PSE will finalize the project design and begin the development of the PDD following with the outline and requirements set by the identified carbon standard and methodology. It is the PSE's responsibility to ensure that the PDD, along with relevant required documents, such as a listing agreement, are all prepared for submission to the carbon standard for listing.

b. Project Verification and Registration as a Carbon Market Project

The PSE will engage the carbon standard and submit the developed PDD along with the required documents for listing. Once listed, the PSE will engage an accredited Validation/Verification Body (VVB) to initiate the registration process, working closely with the carbon standard to ensure delivery of required documents including PDD and listing agreement. It is the PSE's responsibility to identify the modes and platforms for application, along with the associated deadlines and required documents, and engage and work with BPPPA and relevant stakeholders to complete the process.

The PSE will initiate the process by submitting the validated Project Design Document (PDD) to the carbon standard for official registration. This step will involve:

- **Pre-Registration Compliance**: Ensuring all prerequisites are fulfilled, including stakeholder consultations and environmental impact assessments, as mandated by the standard.
- **Document Submission**: Providing all required documentation to demonstrate the project's alignment with the carbon standard's methodology and objectives

i. Deliverables

The PSE is required to submit the following deliverables and ensure PDD completion by 05 months from contract signing:

Activity	Deliverable	Timeline
Project Preparation	Establishment of Project Office and Field Office	1 month from contract signing

	Terms of References (TORs) for project team	2 weeks from contract signing
	Hiring, on-boarding and orientation plan and schedule	2 weeks from contract signing
	Monitoring & Evaluation (M&E) plan will be developed for the project team	2 weeks from contract signing
	Project Team Recruitment and On-Boarding	1-2 month from contract signing
Comprehensive Project Workplan for the ARR Project, including supporting sections	Project Action Plan and Schedule	2 weeks from contract signing
	Carbon Market Project Plan	2 weeks from contract signing
	Stakeholder Engagement Plan and Community Framework	2 weeks from contract signing
	Legal Landscape Assessments and Approvals and Permit Plan	2 weeks from contract signing
	MRV and Risk Management Plan for the Carbon Market Project	2 weeks from contract signing
	Financial Analysis and Resource and Finance Mobilization Plan	2 weeks from contract signing
	Sustainability and Exit Strategy	2 weeks from contract signing
	Monitoring, Due-Diligence and Quality Assurance Plan for the PSE	2 weeks from contract signing
	Carbon Credit Marketing and Business Plan	2 month from contract signing

Project Baseline and Analysis	Share checklist with BPPPA as per the PDD template for identified carbon standard and methodology	1 month from contract signing
	Land Cover and Land Use Change Analysis	2 month from contract signing
	Legal and Regulatory Assessment	
	Carbon Stock Assessment and Emission Analysis	
	Socio-Economic and Environmental Baseline	
	FPIC Acquisition	
	Environmental and Social Impact Assessment (ESIA) Development and Submission to BEPA, PSE must secure approval	
	Ensure completion of all required information and components needed for PDD development	3 months from contract signing
Project Design Development	Project Design finalization in consultation with BPPPA and relevant stakeholders	4 months from contract signing
Carbon Market Project Listing and Registration	Project Description Document (PDD) Development	4 months of contract signing
	Listing and Registration of the Balochistan Carbon Offset Project	PSE is expected to begin the listing and registration process as soon as the PDD is finalized

Note: PSE may conduct and carry out activities in parallel where required to meet deadlines and cater to the interlinkages between each deliverable and activity.

Note: The PSE must complete the PDD development within 05 months of contract signing, and acquire all relevant permits, approvals and consent, including FPIC until then. PSE may engage, consult and coordinate with BPPPA to ensure this timeline is met. It is solely the responsibility of the PSE to deliver the identified activities and ensure successful registration of the carbon market project. While the PDD will be developed 05 months from contract singing, the listing process and subsequent activities are to begin immediately after.

8. Implementation Stage

The ARR project will be implemented over 45 years (O&M Period), composed of 02 project plantation phases spanning two years. The tenor period comprises of the project duration which will include plantation for the ARR project, consistent and robust MRV, community engagement and program activation, and engagement of VVBs to ensure that the carbon market project successfully and efficiently issues carbon credits in alignment with the identified carbon standard. The specific project activities for crediting period are noted below:

Year 1	Plantation in Sonmiani spanning 19,747 ha
Year 2	Plantation across the other sites, Kalmat Khor, Jiwani Khor, Sahidi Khor, Sawar Khor, and Shabi and Ankara Creeks, spanning an area of 14,604 ha
Years 3-4	Monitoring, Review and Verification
	Operations and Maintenance
	Engagement of VVBs for Credit Issuance
Year 5-46	Oversee and ensure efficient and adequate MRV and credit issuance process, through engagement of VVBs when necessary

The PSE will be expected to deliver the following activities:

a. Site Preparation and Infrastructure Development

Review and Prepare Site

The project team will conduct a thorough site review, building upon the assessment in Phase 1, preparing for the required physical preparation that is required to initiate planation. The team will ensure that ideal range, soil conditions, salinity and hydrology is adequate to initiate plantation.

The PSE will ensure the site is prepared as per the requirements and design identified in Phase 1, to begin plantation. Any clearing and/or cleaning that is needed is to be done, including soil preparation. The PSE will also ensure that species selection remains suited to the identified sites and aligned with the features of the tidal zone, ensuring the delivery of the ARR project, as identified in Phase 1. The PSE will engage with the BPPPA and Balochistan Forest Department to ensure site preparation.

Nursery Development

The PSE will establish nurseries across the project sites, initiating with development at Sonmiani for the 1st plantation phase. Nurseries are crucial to ensure efficient ARR activities through provision of healthy saplings that are able to withstand transplantation.

The establishment of the nurseries across identified project sites must remain cognizant of the following requirements to ensure an effective, efficient and coordinated plantation activities:

- **Location**: The location must be decided in consultation with the BPPPA and be strategically positioned across project plantation sites, ensuring ease of access and transport. PSE must ensure that the nursery development follows adequate technical and operational guidelines, especially prioritizing its development of elevated ground to avoid complete submergence in water.

- **Infrastructure and Facilities**: To ensure optimal maintenance and operations, PSE must ensure, in coordination with BPPPA, that the nursery has access to adequate water supply, if required. It must be able to withstand strong winds and/or waves to avoid any damage.

- **Vehicles and Transport**: Boats are to be provided for the plantation process.

- **Operations and Human Resource**: The nursery development and management plan outlined in Phase 1 will be operationalized by the PSE to operate the nurseries and ensure maintenance, and engage local community members through employment to maintain and develop nurseries.

Procure Field Equipment and Plantation Resources

The PSE will procure necessary field equipment for plantation, including propagation. This includes polybags, shovels/spades, buckets and watering cans, soil mix and seed/propagule collection bags (gunny bags). Additionally, equipment for the staff will also be procured, including hand gloves, boots, and hats, along with resources such as tagging stickers for plants. Health and safety equipment must also be included, including first aid kits and supplies to address any emergencies or natural risks.

- **Procurement of Species**: The PSE, in consultation with BPPPA and Balochistan Forest Department, will review the species selection in relation to site suitability during the PDD development ensuring that native and climate-resilient species are

identified for plantation. Improving diversity of species and biodiversity is a key priority in this regard, ensuring optimal ecosystem restoration.

Planting Methods and Techniques

Plantation methods and techniques identified during Phase 1 will be operationalized, remaining cognizant of plantation periods, tidal elevation, and design in terms of spacing and density. The design must ensure adequate spacing and transplantation of saplings to avoid overcrowding and provide optimal space for growth. The PSE will ensure that the project design is thoroughly followed, ensuring optimal timings of plantation as identified in Phase 1, remaining cognizant favorable soil and hydrological conditions, ideally post monsoon season to ensure provision of moist soil and lower salinity levels.

Plantation will be conducted by engaging local community through direct employment, ensuring community inclusion and ownership, Once plantation is initiated, PSE will ensure security through adequate monitoring and deployment of forest guards to safeguard afforested sites and prevent human activity.

Project Area Management and Monitoring

As outlined in Phase 1, once plantation is initiated, PSE will ensure adequate project site management including optimization of carbon sequestration through plantation, biodiversity improvement and conservation, sustainable resource use and maintenance of plantation activities in relation with local communities, while maintaining a robust MRV system. PSE must ensure the following, but is not limited to:

- **Optimal Carbon Sequestration**

PSE will ensure maximization and maintenance of carbon sequestration through ARR activities by maintaining healthy plantations, controlling pests and damage, and ensuring stringent MRV of the plantation. The PSE will be expected to utilize advanced tools and resources including remote sensing, LiDAR, and field-based sampling to monitor carbon stock changes. The PSE will also ensure that human activities or damage to mangrove plantations is prohibited.

The PSE will establish monitoring plots, using remote sensing and ground-based measurements to track planting success and mangrove growth. A real-

time monitoring system will ensure transparency and accountability throughout the project lifecycle.

- **Environmental and Biodiversity Monitoring and Conservation**

The MRV framework will ensure oversight of biodiversity and environmental factors, ensuring optimal ecosystem regeneration and protection.

- **Security and Watch and Ward**

The PSE will be expected to maintain a robust security and oversight to ensure protection and healthy growth of the plantation across project sites. This includes engaging local communities to ensure watch and ward.

The PSE will ensure that the MRV plan and management remains adaptive, addressing any issue that may arise and coordinating with project partners and BPPPA to ensure a swift resolution. The MRV and management methods will be continuously reviewed and revised based on a strict feedback loop between the PSE and BPPPA, inclusive of project conditions and community inputs

Community Engagement and Program Activation

Ensuring coordination and alignment with BPPPA and Balochistan Forest Department, the PSE will operationalize its community engagement and program:

Capacity-Building for Local Communities

At this stage, the PSE and project team will organize and initiate capacity-building for local community members who are to be engaged in ARR project activities such as plantation and watch and ward, providing them with the information and relevant skills to begin plantation activities. Local communities will also be accustomed to the project team and mechanisms.

Community Benefit and Training Program Activation

The PSE will activate the community program components focusing on the benefit-sharing mechanism through capacity-building. Capacity-building will focus on the development of alternative forms of revenues that are identified under the Community Program in Phase 1, providing locals with the skills and training to develop sources of livelihoods such as shrimp farming, mangrove honey farming, sea weed collection, eco-tourism and more. This is critical to enhance community well-being and inculcate socio-economic upliftment, which is a key reason for the development of this project. This program is to be initiated simultaneously as the plantation activities begin.

9. Deliverables and Timelines

Activity	Deliverable	Timeline
Site Preparation and Infrastructure Development	Site Assessment, Resources and Preparation Plan (Nursery development, species selection, resource procurement, operationalization of staff)	1 week from project registration with carbon standard
Planting Methods and Techniques	Begin plantation across the project site	
Project Area Management and Monitoring	Monitoring Reports and documents as per identified carbon standard and methodology,	
	Maintain project area management and oversight	
	Monitoring and Overview, PSE performance reports inclusive of QA/QC reports submitted to BPPPA	
Community Engagement and Program Activation	Hiring and operationalization of community through employment in project activities	
	Capacity-Building for Local Communities	
	Community Benefit and Training Program Activation	

Note: The PSE is required to maintain engagement with the carbon standard, ensuring successful registration and begin project activities across the project area identified as per the project design. The PSE is required to ensure completion of all relevant documents, acquisition of approvals, or anything else that may be required at this stage by the carbon standard. It is the PSE's responsibility to ensure efficient and effective carbon project operationalization.

10. Operate and Maintenance (O&M) Stage

During the O&M stage the PSE will ensure coordinated and efficient operations of the ARR project, ensuring effective and informed maintenance. The PSE will coordinate with BPPPA ensuring effective communication and alignment to deliver the project. The PSE will be responsible for the following activities:

a. Maintenance and Protection of Project Area and Activities

Project Area Maintenance and Security

The PSE will ensure management, maintenance and security of the project area and afforested sites. It will engage local communities for watch and ward and maintenance, as required.

Optimal Carbon Sequestration

PSE will ensure maximization and maintenance of carbon sequestration through ARR activities by maintaining healthy plantations, controlling pests and damage, and ensuring stringent MRV of the plantation. The PSE will be expected to utilize advanced tools and resources including remote sensing, LiDAR, and field-based sampling to monitor carbon stock changes. The PSE will also ensure that human activities or damage to mangrove plantations is prohibited.

Environmental, Biodiversity, and Community MRV for the Project Area

The MRV framework will ensure oversight of biodiversity and environmental factors, ensuring optimal ecosystem regeneration and protection. It will also ensure monitoring of community engagement and benefits. This will be maintained as per the identified carbon standard and methodology. The PSE must ensure that monitoring, verification, and credit issuance processes are subject to ongoing quality assurance and adaptive management.

PSE will conduct scheduled monitoring and track changes in biodiversity and the provision of ecosystem services, such as water regulation, soil fertility, and

carbon sequestration. This monitoring will involve both field-based surveys and technological tools like GIS and remote sensing. Data collected will inform future management strategies and demonstrate the project's ecological impact.

Biodiversity and Ecosystem Conservation and Management

The PSE will adopt measures to conserve and enhance biodiversity within the project area while maintaining ecosystem services essential to the local environment and communities. The PSE will focus on restoring degraded habitats by addressing factors such as soil degradation, hydrological disruptions, and invasive species. Restoration efforts will aim to reestablish natural processes and create a balanced ecosystem.

Security and Watch and Ward

The PSE will be expected to maintain a robust security and oversight to ensure protection and healthy growth of the plantation across project sites. This includes engaging local communities to ensure watch and ward.

Adaptive Management

The PSE will periodically review and revise monitoring plans to adapt to evolving project conditions, advancements in methodologies, or updates to carbon standard requirements. This will involve:

- Utilizing and adopting new technologies and techniques, such as updated remote sensing tools or improved carbon modeling software, to enhance monitoring accuracy.
- Adjusting monitoring parameters and schedules based on environmental or operational changes.
- Ensuring compliance with the latest guidelines and requirements of the chosen carbon standard, keeping the project aligned with best practices.

These updates will ensure the monitoring framework remains dynamic and responsive to new challenges and opportunities. The PSE will ensure that the MRV plan and management remains adaptive, addressing any issue that may arise and coordinating with project partners and BPPPA to ensure a swift resolution. The MRV and

management methods will be continuously reviewed and revised based on a strict feedback loop between the PSE and BPPPA, inclusive of project conditions and community inputs. Additionally, any approvals, or consent, that is required as per national and international guidelines and carbon market requirements are to be maintained, such as FPIC.

Capacity-Building of BPPPA, Balochistan Forest Department and Other Stakeholders

To ensure efficient project delivery and effective MRV the PSE will consistently engage with BPPPA project officials to impart training and awareness on project activities, MRV, ensuring capacitation and awareness of best practices to deliver a viable and high-quality carbon market project. This will equip BPPPA staff with relevant skills and knowledge to conduct effective MRV while developing a sense of ownership.

11. Monitoring, Verification and Issuance of Carbon Credits

The PSE will work closely with the carbon standard to ensure efficient and transparent validation, registration, and issuance of carbon credits. Following 02 plantation phases inclusive of MRV aligned with the carbon standard and identified methodology against which the project was registered, the PSE will now proceed towards engagement of accredited third-party VVB to initiate action towards issuance of the first tranche of carbon credits through independent verification of monitoring data and certify project compliance with the identified standard and methodology.

Engagement of Validation/Verification Bodies (VVBs) and Facilitation of the Verification/Validation process

The PSE will ensure an adequate and efficient validation/verification process, encompassing all relevant activities and requirements to ensure successful issuance of the first tranche of carbon credits. Specific responsibilities include:

- **Engage an Accredited VVB**
  The PSE will engage a credible VVB as per the requirements of the identified carbon market standard and work closely to facilitate an efficient and transparent process.
- **Field Visits**
  The PSE will be responsible for facilitating the Validation/verification process, providing all relevant documents to the VVB as requested. This will include facilitation of field visits to verify on-ground activities, including carbon stock assessment, tree growth data, survival rates and community inclusion.
- **Review and Improve Documents**
  PSE will ensure an efficient validation/verification process and record all feedback gathered, incorporating it into the project and documents.

Engagement with the Carbon Standard for Credit Issuance

Additionally, the PSE will be responsible for receiving the reports issued by the VVB following acceptance and review of project's compliance with the methodology. The PSE will:

- **Submission for Approval and Issuance**
  The PSE will submit the documents by VVB to the carbon credit standard for review and verification.

- **Resolution of Findings**

In case of any queries and/or requests for additional information, the PSE will engage with the carbon standard and ensure completion of all information and documents required.

It is critical to note that the PSE will maintain **utmost transparency and consistent communication** when engaging with the VVB and carbon standard, consistently coordinating efforts with the BPPPA. The PSE will ensure prompt response to any queries and requests, and ensure public disclosure of all project related information and documents, enhancing transparency and confidence.

Buffer Pool Contributions

Aligning with the international carbon market standards and best practices, and those require dunder the identified carbon standard and methodology, the PSE will allocate a portion of the generated carbon credits to the carbon standard's buffer pool. The buffer pool provides a safeguards against potential non-permanence risks, such as natural disasters or unforeseen losses, ensuring the credibility of the project's carbon credits. The total amount of the buffer pool will be decided as per the risk assessment. Additionally, the PSE will engage with the carbon standard to ensure timely release of buffer pool credits.

Compliance with Article 6

As the project has successfully acquired a Letter of Intent (LOI) by Pakistan's Nationally Designated Authority (NDA), the Ministry of Climate Change & Environmental Coordination (MoCC&EC), it will now align issuance with the requirements set forth under the Pakistan Policy for Trading in the Carbon Markets. The PSE will ensure coordination with BPPPA and engage with the MoCC&EC to successfully generate ITMOs.

Continuous Engagement with VVB and Issuance of Carbon Credits

The PSE will be responsible for ensuring robust MRV of the carbon market project, ensuring alignment with the identified standard and methodology under which the project was registered and credits were issued. The PSE will ensure periodic issuance of carbon credits and engaging with the VVBs.

12. Community Program Maintenance and Operations

The PSE will ensure operation and management of the community program which includes maintenance of FPIC, training and capacity-building, benefit-sharing mechanism, and ensuring a robust MRV of community inclusion and engagement. The responsibilities will include:

- **Maintenance of FPIC**
  The PSE will ensure that the FPIC is periodically maintained and re-acquired as per the project schedule, ensuring effective and coordinated community engagement. The PSE will also ensure that all agreements made with the community under the FPIC are operational and effective.

- **Grievance Redressal Mechanism (GRM) and Community Feedback**
  The PSE will ensure that the GRM set up during the inception phase for local communities is effectively operational and utilized by community members to address any concerns. The PSE will ensure community engagements and incorporation of community feedback into the project, ensuring inclusion and transparency.

- **Benefit Distribution under the Benefit-Sharing Mechanism**
  The PSE will ensure equitable and just distribution of benefits identified under the project's benefit-sharing mechanism and identified mode of transfer. The PSE will ensure monitoring and tracking of benefit-sharing mechanisms, including training programs, under the project MRV.

- **Training and Capacity-Building**
  PSE will ensure continuous training and capacity-building for local communities, investing in inculcating critical skills such as those pertaining to mangrove plantation, growth and conservation, equipping both the locals and project personnel with skills and knowledge to ensure efficient project delivery and effective MRV.

13. Deliverables and Timelines

At this stage, the PSE is required to ensure the following:

- Ensuring coordination with BPPPA and local communities, and other relevant stakeholders
- Submission of scheduled monitoring and performance reports of PSE to BPPPA
- Maintain communication with the carbon standard and VVB to ensure project delivery, reporting to BPPPA on each communication and ensuring coordination
- Ensure engagement with VVB and carbon standard to operationalize project and work towards transparent and verified issuance of credits as the monitoring process is completed.
- Coordinate with the NDA, if required, to ensure compliance with Article 6.
- Actively market the project and ensure awareness dissemination as per the developed Marketing Plan
- Actively engage investors and interested entities to engage with the project in various capacities, especially identification of credible buyers for the credits.
- Ensuring maintenance of FPIC, and inclusive community engagement
- Develop avenues for the generation of non-carbon revenues through alternative revenue generation pathways.
- Ensure capacity-building of all stakeholders, including local communities, BPPPA, Balochistan Forest Department
- Respond to any clarifications or requests issued by carbon standard, VVB, or local stakeholders such as BPPPA, BEPA, Balochistan Forest Department, and others.

The timeline is contingent upon the project registration; however, it will be decided in consultation with BPPPA.

14. Project Closure and Transfer

Final Report

The PSE will be required to develop a final report, drawing upon the project experience, outlining critical achievements and identifying challenges faced. The aim is to document all lessons and highlight the progress that the project has delivered. The report will also outline the identification and operationalization of the sustainability and exit strategy, ensuring project longevity and goals are maintained. The PSE will also outline its efforts to enhancing capacities of BPPPA, Balochistan Forest Department, local communities, and other stakeholders to sustain efforts and continue efforts towards environmental resilience. This report may be developed as a toolkit for future action, document invaluable lessons. The PSE will also operationalize knowledge and technology transfer, highlighting best practices, technological innovations, and strategic insights developed during the project.

The PSE may also organize final workshops for government ministries and community members. These sessions will capacitate and provide participants with the skills and knowledge needed to manage and sustain project outcomes independently. Through these efforts, PSE aims to ensure empowerment and resilience within the communities and stakeholders.

Operationalization of the Sustainability and Exit Strategy

The PSE will outline how it has ensured that project longevity is maintained, identifying key development s such as website development, social media profile engagement,. The PSE will outline project benefits and sustenance, specifically in regards to enhanced environmental resilience and socio-economic upliftment. The PSE may also draw upon MRV data over 30 years to build a robust rationale.

Deliverables and Timelines

At this stage, the PSE is required to ensure the following:

- Ensuring coordination with BPPPA and local communities, and other relevant stakeholders to ensure successful project closure
- Develop a final report
- Ensure sustainability of the project in every aspect including ARR, environmental resilience and community upliftment
- Actively market the project and ensure awareness dissemination as per the developed Marketing Plan
- Operationalize the sustainability and exit strategy, including knowledge and technology transfer plan
- Organize final workshops for government ministries and community members on project development and sustenance.

1. RESPONSIBILITIES OF THE BALOCHISTAN PUBLIC PRIVATE PARTNERSHIP AUTHORITY (BPPPA)

The BPPPA will play a central, governing and collaborative role in ensuring the success of the project, contributing its resources, expertise, and commitment to sustainable development and ecological preservation. It will engage closely with the PSE to guide the project and PSE to ensure efficient, transparent and inclusive project operations.

- **Providing State-Owned Reserve Forest Lands**

BPPPA will allocate **protected mangrove lands** for the project. These lands will serve as the basis for implementing project activities, ensuring that they align with the Government's broader objectives of forest conservation and sustainable resource management.

- **Facilitating Permits and Clearances**

To streamline project implementation, BPPPA will facilitate PSE in acquiring necessary permits and approvals. By expediting administrative processes, the department will enable the PSE to initiate and execute project activities within the framework of regulatory compliance and environmental safeguards.

- **Supporting Community Mobilization**

Recognizing the importance of local involvement, BPPPA will actively support community mobilization efforts, fostering a sense of ownership and participation among local stakeholders. Furthermore, the department will act as a mediator in resolving conflicts, ensuring that diverse community interests are harmonized and aligned with project goals.

- **Sharing Technical Expertise and Data**

Drawing from its extensive experience and resources, BPPPA will provide technical expertise and relevant data to guide project design and execution. It will also coordinate with relevant stakeholders such as Balochistan Forest Department if required.

- **Monitoring Compliance and Standards Adherence**

BPPPA will maintain a vigilant role in monitoring compliance with project standards and agreements. Through regular oversight, the department will ensure that the PSE adheres to the agreed-upon protocols, fostering accountability and safeguarding the project's ecological and social objectives.

2. EXPECTATIONS FROM THE PSE

The PSE will be responsible for ensuring that the ARR Project in Balochistan is implemented with the highest standards of transparency, accountability, technical rigor, and alignment with international best practices in carbon market projects. The following expectations will apply:

- The PSE shall maintain full transparency, ensure continuous coordination with BPPPA, and secure formal approval of all deliverables, incorporating feedback as required.
- The PSE shall ensure close coordination with BPPPA and align all activities with the agreed project timeline, providing regular progress updates and addressing any delays proactively.
- The PSE shall implement strict QA/QC protocols to guarantee accurate, consistent, and reliable data, supported by regular audits and internationally recognized methodologies.
- The PSE shall periodically update monitoring plans, adopt new technologies, and comply with the latest carbon standard requirements to keep the project adaptive and credible.
- The PSE shall maintain complete, auditable records and develop a Performance Management Plan aligned with IFC Performance Standards to ensure environmental sustainability, social inclusion, and global market credibility.
- The PSE shall engage local communities through participatory approaches, ensuring Free, Prior, and Informed Consent (FPIC), inclusive benefit-sharing, and livelihood co-benefits to strengthen long-term project ownership and sustainability.

SITE DETAILS

Total area covered under the concession (also referred to as “Project Sites”) is 34,351 hectares of eligible land for ARR. Mangrove sites to be re-generated across this area include **Miani (Sonmiani Khor), Kalmat Khor, Sahidi Khor, Sawar Khor, Shabi and Ankara Creek and Jiwani Khor** on the Balochistan coast. Map of the project area is given below:

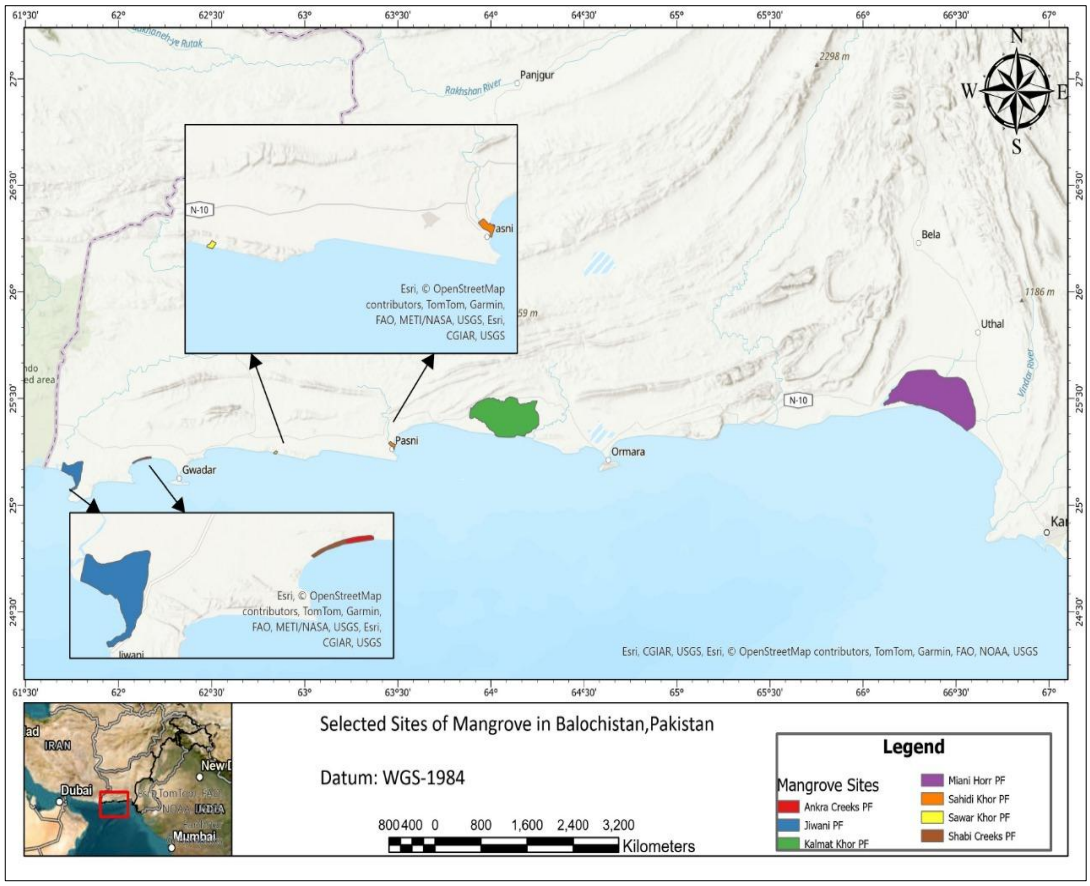


Figure 1 Map of Project Sites

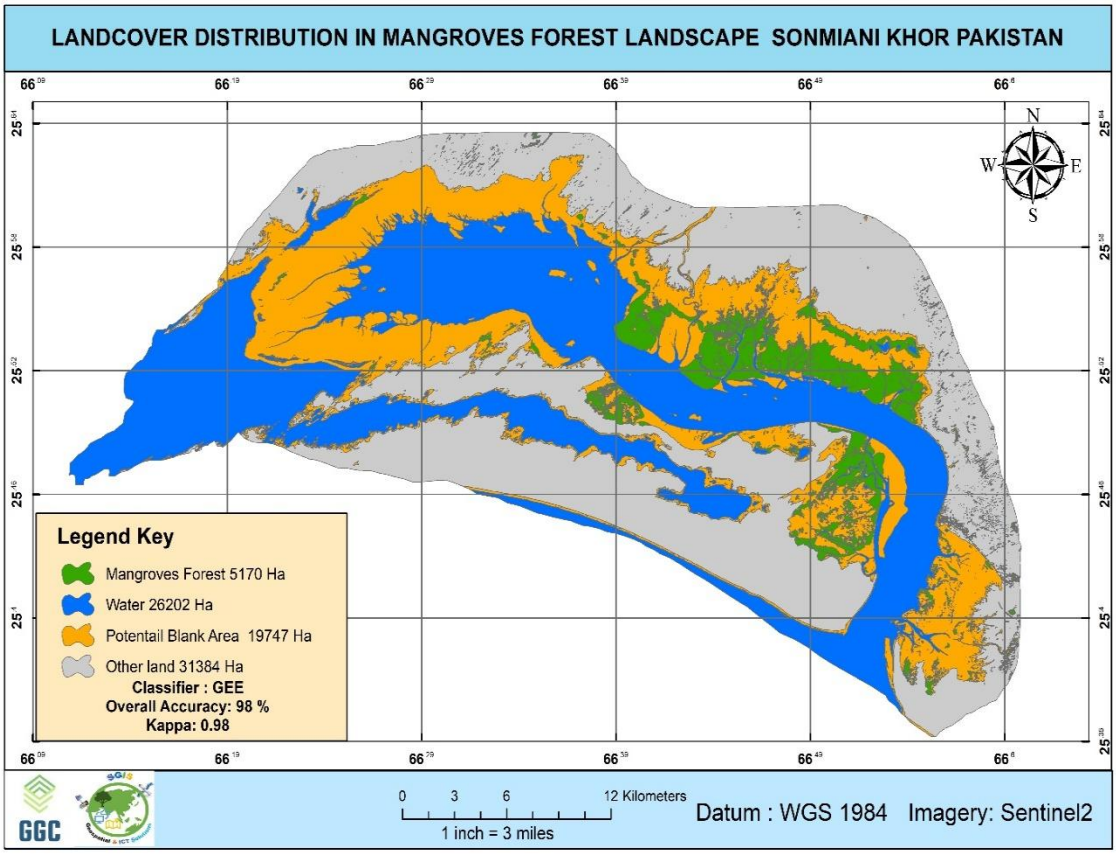
The potential project zone lies on the coast of Balochistan province in the districts of Lasbela and Gwadar, and covers the following area:

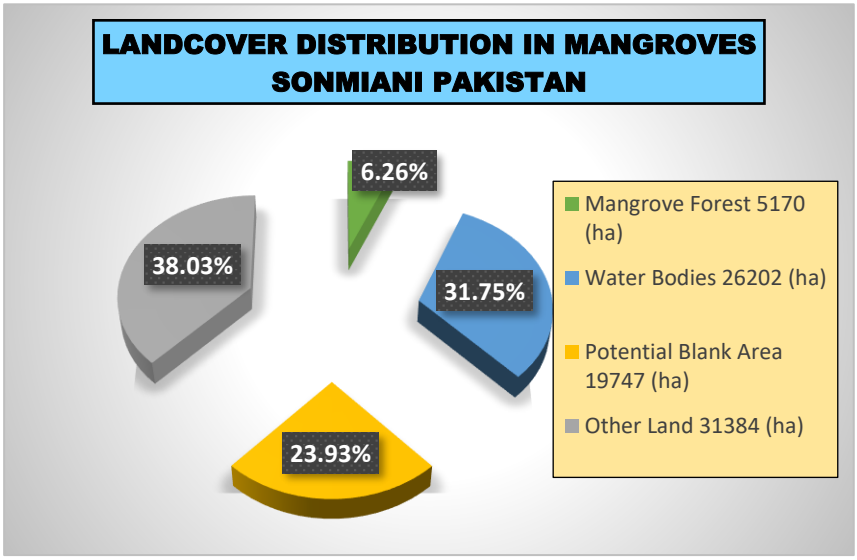
Forest Area	**District**	**Area (Ha)**
Sonmiani Khor	Lasbela	82,503
Kalmat Khor	Gwadar	55,869
Sahidi Khor	Gwadar	617
Sawar Khor	Gwadar	200.5
Shabi & Ankara Creeks	Gwadar	707
Jiwani	Gwadar	8,062
Total		**147,958.5**

SALIENT FEATURES OF THE PROJECT AREA

The ARR project area spans 34,351 ha across 06 mangrove sites analyzed in detail below:

1. Sonmiani Khor

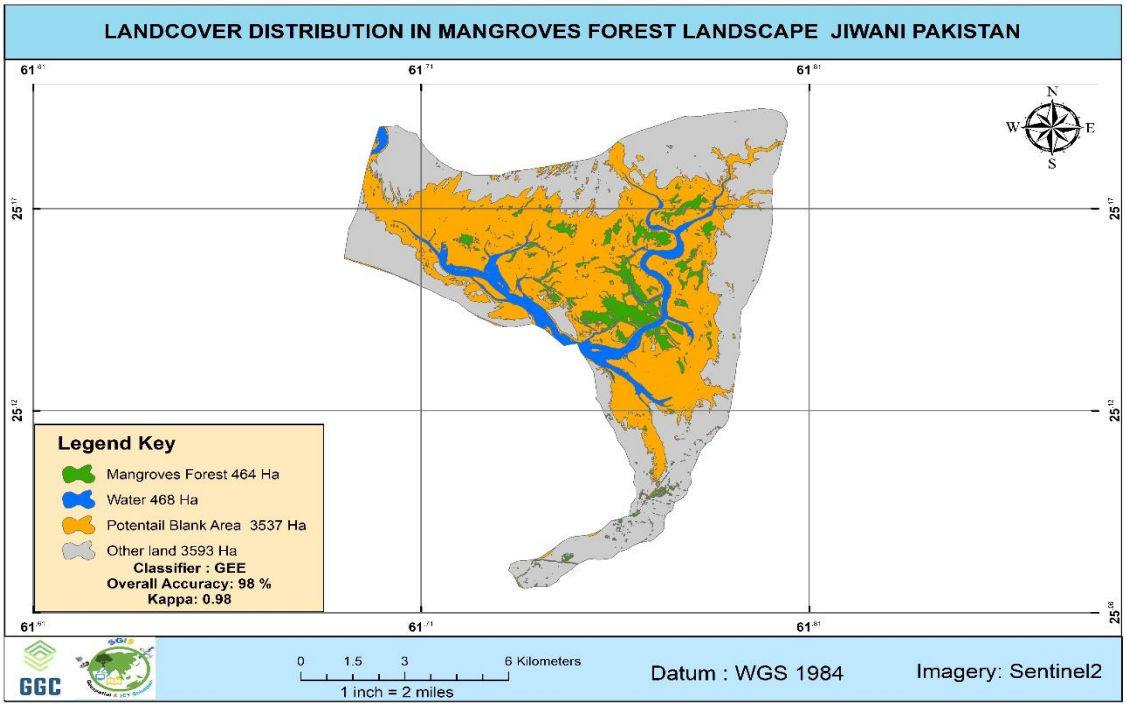




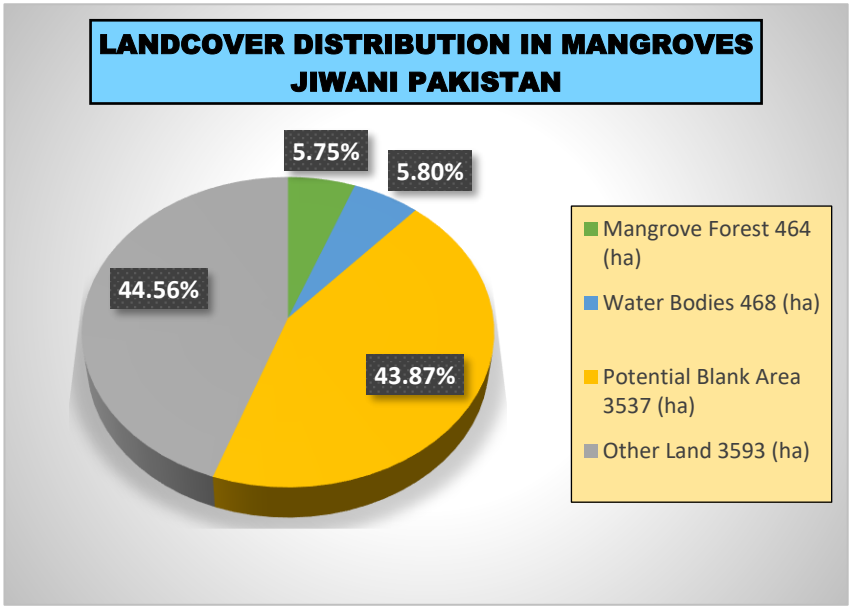
Sonmiani Khor's land cover analysis covers a total area of 82,503 hectares, and primarily depicts the impact of land uses that do not involve vegetation. As per the LULC assessment, **mangrove forests** in the location cover **5,170 ha (6.26%)**. Despite its limited coverage, the mangrove forest is ecologically crucial as it offers critical coastal protection from erosion and storm surges. Additionally, it ensures carbon sequestration that is beneficial for climate policies and carbon credit potential and acts as a nursery for marine life, benefiting local fisheries. **Water bodies** encompass **26,202 hectares (31.75%),** almost one-third of the region, including tidal flats, lagoons, and creeks. This suggests a high marine biodiversity suitable for sustainable fisheries and aquaculture. **Potential blank area** consists of **19,747 hectares (23.93%)**. This area likely includes barren saline land, mudflats, or degraded zones. **Other land** covers **31,384 hectares (38.03%),** and likely includes areas with dunes, rocky terrain, sparse vegetation, or human-altered landscapes. The findings are summarized and depicted below:

Land Cover Type	Area (ha)	Percentage of Total (%)
Mangrove Forest	5,170	6.26%
Water Bodies	26,202	31.75%
Potential Blank Area	19,747	23.93%
Other Land	31,384	38.03%
Total Area	82,503	100%

2. Jiwani Khor



The land cover analysis of the Jiwani mangrove region, covering a total area of 8062 ha, demonstrated a landscape with limited vegetative cover and a high proportion of altered or unproductive land. In terms of **mangrove forests**, they cover **464 ha (5.75%)** and play a crucial role as ecological keystones. These forests provide essential functions such as buffering storm surges, preventing erosion, supporting marine species, sequestering carbon, and improving water quality. **Water bodies** span **468 ha (5.80%)** of the region and include

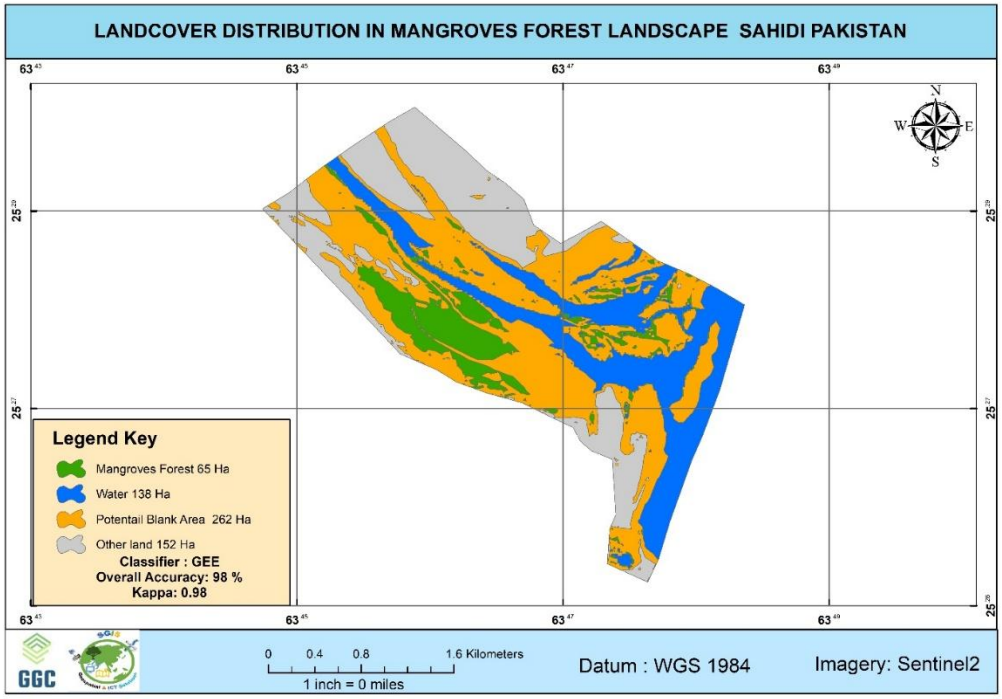


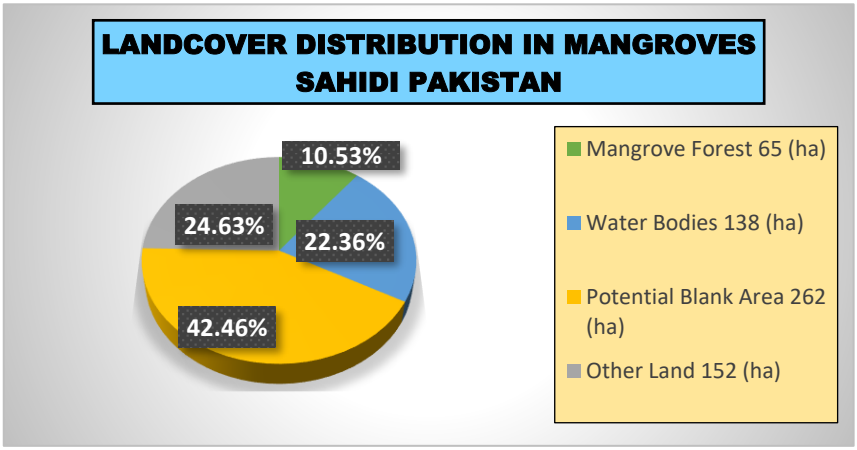
tidal channels, estuaries, lagoons, and shallow coastal waters. These areas are vital for fisheries, salinity regulation, and maintaining ecosystem connectivity with mangroves.

A significant portion of the region, **3,537 ha or 43.87%,** is categorized as a **potential blank area**, consisting of salt flats, barren land, or unused terrain. **3,593 ha (44.56%)** is **other land**, encompassing various terrains such as sandy areas, rocky terrain, sparse vegetation, and settlements. The findings are summarized and depicted below:

Class	**Area (ha)**	**Percentage (%)**
Mangrove Forest	464	5.75%
Water Bodies	468	5.80%
Potential Blank Area	3,537	43.87%
Other Land	3,593	44.56%
Total Area	8,062	100%

3. Sahidi Khor



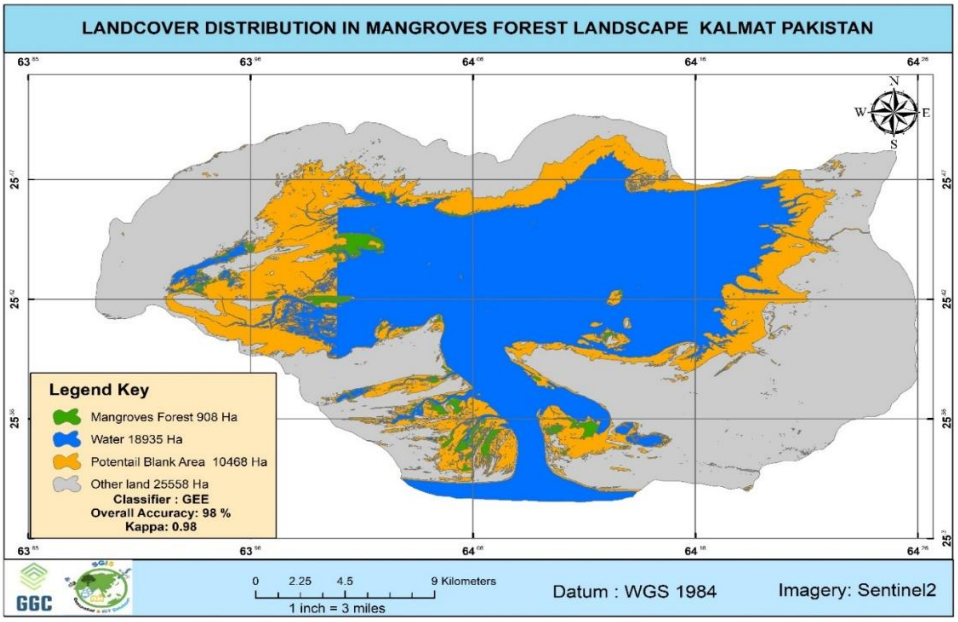


The land cover analysis of the Sahidi mangrove region, covering a total area of 617 hectares, demonstrates a high rate of potential blank area for a fruitful regeneration of mangroves forest. **Mangrove forests** span **65 ha (10.53%)**. While small in size, they are still crucial for the ecosystem and provision of a habitat for coastal biodiversity, prevents erosion, and acts as a valuable carbon sink. **Water bodies** cover **138 ha (22.36%)** and are essential for fisheries, aquaculture, and natural drainage. Mapping seasonal variations using satellite imagery can provide valuable insights for managing these vital

hydrological features. The **potential blank area** occupies **282 ha (42.46%),** and offers immense potential for mangrove reforestation, wetland restoration, and more. **Other land**, totaling **152 ha (24.63%),** includes various environments like sandy land and sparse vegetation. The findings are summarized and depicted below:

Land Cover Type	Area (ha)	Percentage of Total (%)
Mangrove Forest	65	10.53%
Water Bodies	138	22.36%
Potential Blank Area	282	42.46%
Other Land	152	24.63%
Total Area	617	100%

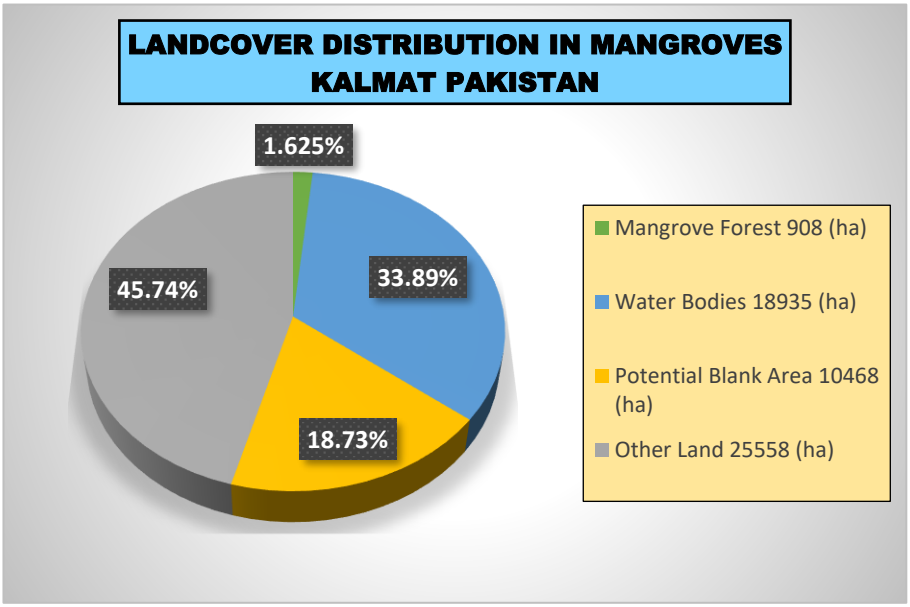
4. Kalmat Khor



The land cover analysis of the Kalmat region, covering a total area of 55,869 hectares, reveals a landscape predominantly influenced by non-vegetative land uses. Only **908 ha (1.625%)** of land are covered by **mangrove forests** in Kalmat. This insufficient coverage is alarming, considering the significant role that mangroves play in shoreline stabilization, habitat provision, and carbon

sequestration. In comparison to the vast stretches of water bodies and open spaces, the limited presence of mangroves underscores the pressing need for immediate

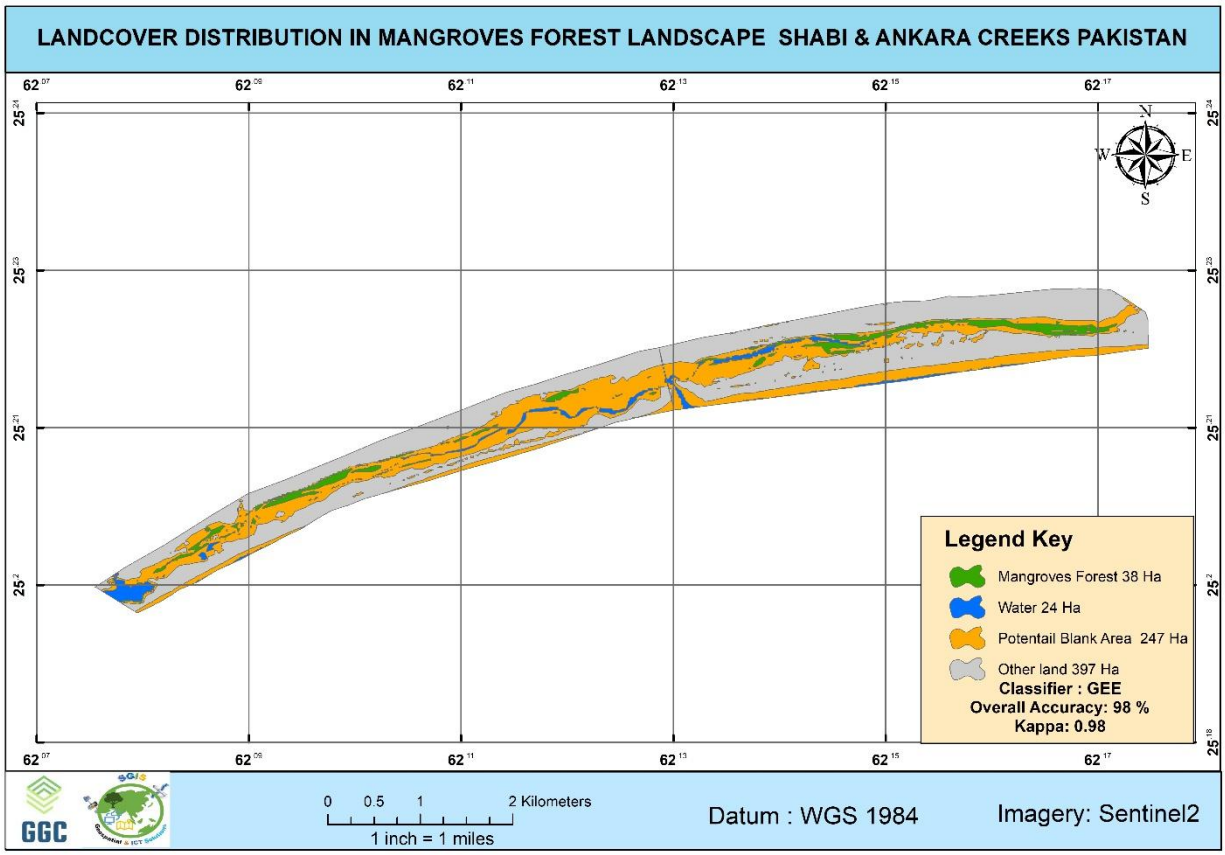
conservation and expansion initiatives in the region. **water bodies** cover a significant portion of Kalmat, accounting for **18,935 ha (33.89%).** This strong hydrological presence is likely attributed



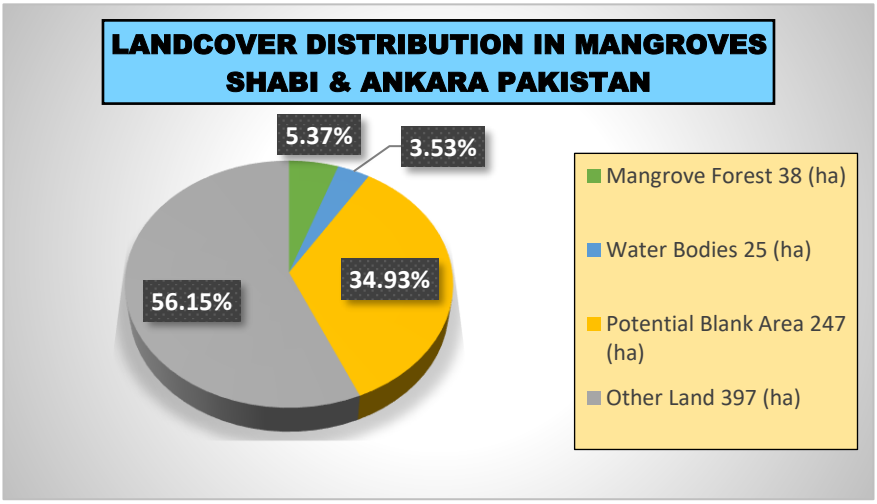
to the coastal or estuarine characteristics of the region, which foster a diverse range of aquatic species and support livelihoods dependent on water resources. **The potential blank area** covers **10,468 ha (18.73%)** of the region. This space presents a valuable opportunity for restoration, afforestation, or sustainable development projects. These areas provide a chance for environmental intervention and climate-resilient land use strategies. **Other land** occupies **25,558 ha (45.74**%), the largest category makes up 51.64% of the total. This sizable percentage indicates extensive human activity, arid regions, or the presence of infrastructure development. The findings are summarized and depicted below:

Land Cover Type	**Area (ha)**	**Percentage of Total (%)**
Mangrove Forest	908	1.625%
Water Bodies	18935	33.89%
Potential Blank Area	10468	18.73%
Other Land	25558	45.74%
Total area	**55869**	100%

5. Shabi and Ankara Creeks



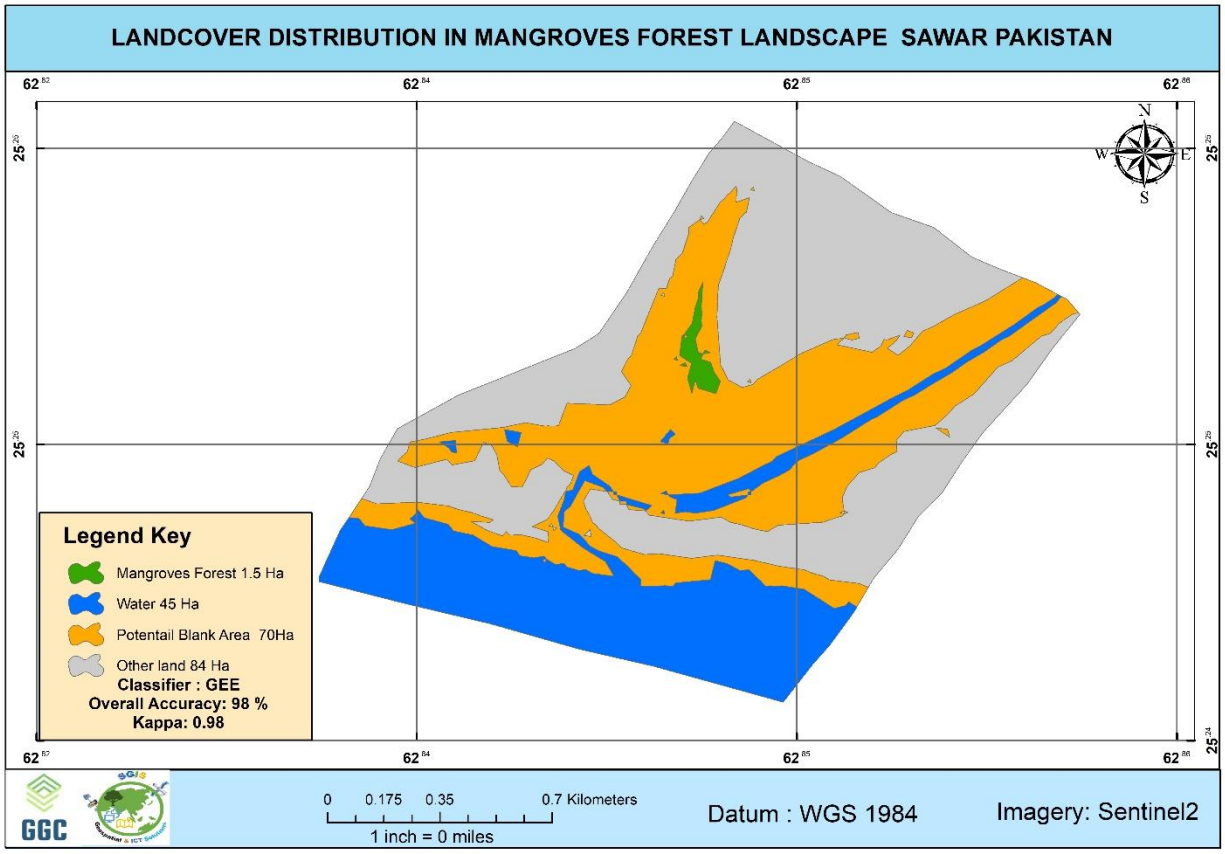
GIS-based spatial analysis of the 707-hectare Shabi and Ankara region of the mangrove forest reveals critical insights. **Mangrove forest**s encompass **38 ha (5.37%)**. They are strategically situated in ecologically sensitive zones, primarily near tidal inlets or along the sheltered banks of creeks. Despite their relatively small size, they play a significant role in ecological productivity, protection against coastal erosion, and support for fish spawning. **Water bodies** cover **25 ha (3.53%)**.

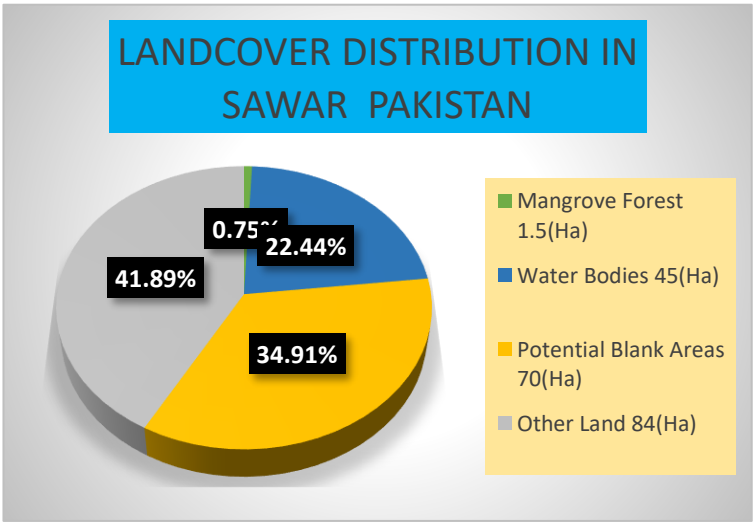


This category includes creek channels, seasonal waterlogged areas, and lagoons. Although their extent is limited, these water bodies are crucial for maintaining hydrological balance and ensuring tidal connectivity. A substantial portion, measuring **247 ha (34.93%),** is classified as a **potential blank area**. This area is likely composed of saline or degraded land, tidal mudflats, or exposed sediment zones. It presents opportunities for mangrove reforestation, wetland restoration, and carbon sequestration initiatives. The majority of the land, totaling **397 hectares (56.15**%), is categorized as **other land**. This classification typically includes sandy or gravelly surfaces, areas with sparse vegetation, and minor infrastructure or natural dunes. The findings are summarized and depicted below:

Land Cover Type	**Area (ha)**	**Percentage of Total (%)**
Mangrove Forest	38	5.37%
Water Bodies	25	3.53%
Potential Blank Area	247	34.93%
Other Land	397	56.15%
Total Area	707	100%

6. Sawar Khor





Mangrove forest covers 1.5 hectares (**1.09%**) though small, plays a crucial role in the ecosystem. It indicates limited tidal influence, most likely near sheltered creek mouths or estuarine margins. Despite its size, this patch is essential for coastal biodiversity, sediment stabilization, and carbon sequestration. It is

considered a priority conservation zone and is well-suited for mangrove enrichment planting or assisted natural regeneration through community-based or climate resilience programs. **Water bodies comprise 45 ha (32.72%)**,spanning almost 40% of the total area, the water bodies in this region are thought to be a mix of tidal creeks, saline lagoons, and seasonal water channels. This suggests a highly dynamic hydrological zone that may experience tidal fluctuations or seasonal flooding. These areas play a vital role in supporting diverse aquatic ecosystems and offer promising opportunities for activities such as blue carbon storage, aquaculture, and wetland restoration. **Potential blank area** spans **70 ha (5.09%).** This category likely consists of saline flats, degraded scrublands, or unproductive coastal patches. Although currently underutilized, this area holds significant potential for ecological restoration through initiatives such as expansion of community managed green-belts. **Other land spans 84 ha (61.09%)** This category likely consists of a variety of landscapes such as barren ground, sandy terrain, rocky outcrops, and limited human activity. Although not currently ecologically active, these areas should undergo detailed analysis through advanced remote sensing or on-site investigations to assess their potential for rehabilitation, sustainable land utilization, or development planning.

Land Cover Type	**Area (ha)**	**Percentage of Total (%)**
Mangrove Forest	1.5	0.75%
Water Bodies	45	22.44%
Potential Blank Area	70	34.91%
Other Land	84	41.89%
Total Area	200.5	100%

VOLUME 3:
PPP AGREEMENT (DRAFT)

CONCESSION AGREEMENT
DRAFT

BY & BETWEEN

GOVERNMENT OF BALOCHISTAN
(THROUGH [•])
(AS THE IMPLEMENTING AGENCY)

AND

[•]
(AS THE **CO-IMPLEMENTING AGENCY**)

AND

[•]
(AS THE **CONCESSIONAIRE**)

IN RESPECT OF
THE CONCESSION FOR DEVELOPMENT, PROCUREMENT, FINANCE, OPERATIONS AND MAINTENANCE OF
CARBON OFFSET PROJECT TO
DESIGN, BUILD, FINANCE, OPERATE, MAINTAIN AND TRANSFER -AFFORESTATION, REFORESTATION AND REVEGETATION (ARR) PROJECT IN BALOCHISTAN

DATED: AS OF _____

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CONCESSION AGREEMENT

This **CONCESSION AGREEMENT** (this **Agreement**) is entered into on this _____ day of _____, 2026 at Quetta, Balochistan, Pakistan:

BY AND BETWEEN

THE GOVERNMENT OF BALOCHISTAN (THROUGH SECRETARY, FOREST AND WILDLIFE DEPARTMENT) having its offices at [•] acting for and on behalf of the Government of Balochistan (the **Implementing Agency**);

AND

THE BALOCHISTAN PUBLIC PRIVATE PARTNERSHIP AUTHORITY having its offices at [•] acting for and on behalf of the Government of Balochistan (the **Co-Implementing Agency**);

AND

[•], a company incorporated under the Applicable Laws of Pakistan, having its registered office located at **[•]** (the **Concessionaire**, which expression shall, where the context so permits, be deemed to mean and include its successors-in-interest and permitted assigns);

(the Implementing Agency and the Concessionaire are hereinafter collectively referred to as the **Parties** and each individually as a **Party**).

RECITALS

A. On [•], a Request for Proposals (together with the related advertisements) (the **RFP**) was issued by the Implementing Agency to prospective bidders for, inter alia, inviting submission of bids for grant of the Concession for the implementation of the Project through public private partnership, on a DFBOT basis and subsequently, upon conclusion of the bidding process pursuant to the RFP (the **Bidding Process**), the Sponsor was selected by the Implementing Agency for such purposes. The letter of award was issued to the Sponsor by the Implementing Agency on [•].

B. In accordance with the requirements of the RFP and the terms of the Bid (as defined herein below) submitted by the Sponsor, the Sponsor has incorporated the Concessionaire as a special purpose vehicle to implement the Project before or after the signing of the Agreement and the Implementing Agency has agreed to grant to the Concessionaire the right and obligation to implement the Project on the terms and conditions contained in this Agreement.

C. The Parties are now entering into this Agreement to set out the terms and conditions applicable to, *inter alia*, the Concession and the implementation of the Project and the relationship of Implementing Agency and the Concessionaire and their rights and obligations.

NOW, THEREFORE, this Agreement witnesseth and it is hereby agreed to by and between the Parties as follows:

1. DEFINITIONS & INTERPRETATION

1.1 DEFINITIONS

In this Agreement (including the Recitals), unless the context shall otherwise require:

Abandonment or **Abandoned** means the voluntary cessation of the development or Operation and Maintenance of the Concession Assets by the Concessionaire and/or the withdrawal of all, or substantially all, personnel by Concessionaire from the Project Site for reasons other than a Permitted Event or a Security Event;

Accounting Year means in respect of the Concessionaire, the financial year commencing from 1st day of July of any calendar year and ending on 30th day of June of the next calendar year;

Additional Cost means the additional capital expenditure and/or the additional operating cost and/or, any adverse financial impact on the Concessionaire and/or additional taxes and/or all of the above as the case may be, which the Concessionaire has or would be required to incur and which has/have arisen as a consequence of Change of Scope; provided, that the Additional Costs shall be paid directly to the Concessionaire by the Implementing Agency in terms of this Agreement;

Administrator Event means the suspension of some or all of the processes of the Project Carbon Standard Body due to:

(a) a security breach or following reasonable suspicion of a breach of security which threatens the integrity of the Project Carbon Standard Registry (including any backup facilities); or

(b) scheduled or emergency maintenance; or

(c) the failure to operate and maintain the Project Carbon Standard Registry in accordance with its rules and regulations;

Adverse Carbon Market Event means the prolonged and indefinite suspension or termination of major Carbon Markets, with no feasible alternative to sell the Carbon Credits, which materially affects the financial viability of the Project, as determined in accordance with Section 14.1 (Adverse Carbon Market Event);

Adverse Carbon Market Event Termination Amount shall have the meaning ascribed thereto in **SCHEDULE K** (***Termination Payment***);

Affected Party shall have the meaning ascribed thereto in Section 20.1 (*Force Majeure Event*);

Agreement means this '*Concession Agreement*' including the Recitals, Main Body and all Schedules attached hereto;

Ancillary Activities means, other than carbon sequestration, any forest ecosystem goods and services, including, inter alia, with respect to timber, fuel, fruits, fodder or other byproducts and/or bio-diversity credits, and eco-tourism;

Ancillary Activities Agreement means an agreement, other than a Carbon Credit Sale Agreement, entered into between the Concessionaire and a counterparty with respect to any Ancillary Activities;

Applicable Exchange Rate means, in respect of a Revenue Evaluation Period, the actual exchange rate applied by the Project Account Bank on the date Project Revenues are credited, from time to time, to the Revenue Account in PKR;

Applicable Laws means all applicable federal, provincial and local laws, promulgated or brought into force and effect in Pakistan, as the case may be, including regulations and rules made thereunder, and judgments, decrees, injunctions, writs and orders of any court of record, including Environmental Legal Requirements, as may be in force and effect during the subsistence of this Agreement;

Applicable Standards means the standards, specifications, requirements and criterion set out in relation to and applicable to:

(a) the Project Works;

(b) the Project and its implementation;

(c) the Concession Assets; and

(d) the performance by the Concessionaire and the Sponsor (as applicable) of their respective obligations under the Implementing Agency Agreements;

in each case above, as contained and set out in (as applicable):

(i) this Agreement (including all Schedules attached hereto);

(ii) the Implementing Agency Agreements;

(iii) the Applicable Laws,

provided, however, that in the event of any discrepancy in the standards, requirements and criterion set out in the abovementioned, the standards, requirements and criterion in accordance with nationally and internationally accepted standards as per Good Industry Practice (as applicable), shall apply (unless otherwise mutually agreed between the Parties);

Arbitration Act means the Arbitration Act, 1940 and shall include modifications to or any re-enactment thereof as in force from time to time;

ARR means afforestation, reforestation, and revegetation;

Associate or **Affiliate** means, in relation to either Party and/or the Sponsor, a Person who controls, is controlled by, or is under the common control with such Party and/or the Sponsor (as used in this definition, the expression "***control***" means, with respect to a Person which is a company or corporation, the ownership, directly or indirectly, of more than 50% (fifty per cent) of the voting shares of such person and the power to direct the management and policies of such Person, whether by operation of law or by contract or otherwise), and with respect to a Person which is not a company or corporation, the power to direct the management and policies of such Person, whether by operation of law or by contract or otherwise);

Available Distributable Revenues means, in respect of a Revenue Evaluation Period, the amount equivalent to the Project Revenues actually realized and credited to the Revenue Account during such Revenue Evaluation Period less the Expenditures for such Revenue Evaluation Period.

Award shall have the meaning ascribed thereto in Section 26.3.4;

Baseline means the quantified level of anthropogenic emissions by sources or anthropogenic removal by sinks of GHGs that would otherwise have occurred at the Project Site in the absence of the Project, as determined through the applicable tools of the Project Carbon Standard;

Baseline Assessment Report shall have the meaning ascribed thereto in Section 12.3.1;

Baseline Assessments means the assessments to be undertaken by the Concessionaire to establish the Baseline for the Project, as set out in the Applicable Standards (including as set out in the Scope of the Project);

Bid means the technical and financial bid of the Sponsor with respect to the Project submitted to the Implementing Agency on [•];

Bid Submission Date means the date on which the Bid is submitted;

Bidding Process shall have the meaning ascribed thereto in Recital A above;

Board of Arbitrators shall have the meaning ascribed thereto in Section 26.3.1;

Board Resolution means a resolution passed by the board of directors of the Concessionaire authorizing the Concessionaire to, *inter alia*, enter into this Agreement;

Buffer Credit(s) means any carbon credits which are required to be deposited into the buffer pool managed by the Project Carbon Standard Body, to address the risk of unforeseen losses associated with the Project's carbon stocks;

Carbon Credit(s) means a unit or tradable certificate or permit Issued in accordance with the Project Carbon Standard representing the GHG Reduction or Removal;

Carbon Credit Sale Agreement means an agreement between the Concessionaire and a Customer for the sale and purchase of Carbon Credits Issued or to be Issued;

Carbon Market(s) means systems that enable governments and non-state actors to buy and sell carbon credits through, inter alia, bilateral transactions and market frameworks, and includes compliance and voluntary markets;

Carbon Policies shall mean the Pakistan Policy Guidelines for Trading in Carbon Markets and any guidelines, regulations and policies issued by any Government Authority in Pakistan relating to the carbon governance framework, including carbon credit issuance, carbon trading, Carbon Markets, national commitments, carbon financing and carbon pricing, as may be amended, substituted or replaced from time to time;

Carbon Revenue means the revenue generated by the Concessionaire through sale of Carbon Credits;

Carbon Standard means the standards, frameworks, methodologies, rules, requirements, and guidelines established and administered by a Carbon Standard Body to operationalize the validation of ARR projects and programmes, and the verification of the outcomes achieved by such projects and programmes;

Carbon Standard Body means the entity which establishes, administers, and develops the Carbon Standards;

Carbon Standard Documents shall have the meaning ascribed thereto in 12.2.1;

Carbon Standard Registry means an operational and secure electronic system approved, authorised or recognised by a Carbon Standard Body that allows for, amongst other things, the issuance, holding, cancelling, or transferring of carbon credits;

Change in Law means the Change in Law (Local) and Change in Law (Foreign);

Change in Law (Foreign) means any of the following events with respect to the Project Carbon Standard, Carbon Market regulations or international climate agreements, to the extent that such events arise under a law other than the laws of Pakistan or a requirement imposed by a Government Authority outside of Pakistan;

(a) the introduction, adoption, enactment or promulgation of any new requirements, compliances, obligations, procedures, rules, standards, methodology, levy, charges or restrictions;

(b) the amendment, variation, reinterpretation, supplementation, extension, replacement or repeal of any existing requirement, compliance obligation, procedure, rule, standard, methodology, levy, charge or restriction;

(c) the introduction, adoption, change or repeal of any material condition in connection with the Registration of the Project or the Issuance, Transfer, or Retirement of any Carbon Credits;

Change in Law (Local) means the occurrence of any of the following events on or after the Bid Submission Date:

(a) the introduction, adoption, enactment or promulgation of any new federal, provincial or local government law;

(b) the repeal, change, modification or re-enactment of any existing federal, provincial or local government law;

(c) the introduction, adoption, change imposition by a Government Authority of any condition in connection with the issue, reneweal, or modification of any Implementing Agency Permit, or the imposition of any additional Implementing Agency Permit; and

(d) a change in the interpretation or application of any Applicable Law by a court of record or a Government Authority as compared to such interpretation or application prior to the date of this Agreement;

provided, that any:

(i) coming into effect, on or after the Bid Submission Date, of any provision of a statute which is already gazetted in accordance with the Applicable Laws prior to the Bid Submission Date; or

(ii) any new Applicable Law or any change in the existing Applicable Law under the active consideration of or in the contemplation of the Implementing Agency or the Government of Pakistan as of the Bid Submission Date, which is already gazetted in accordance with the Applicable Laws prior the Bid Submission Date,

shall not constitute a 'Change in Law (Local)';

Change of Scope shall have the meaning ascribed thereto in Section 15.1 (*Change of Scope*);

Change of Scope Notice shall have the meaning ascribed thereto in Section 15.2.2;

Co-benefits means any community, biodiversity or other related benefits recognized under the Project Carbon Standard, resulting from the Project Works;

Commencement Certificate means a certificate to be jointly issued in writing by the Independent Engineer and the Independent Auditor to the Concessionaire and copied to the Implementing Agency in accordance with Section 3.4 (*Commencement Certificate & Commencement Date*);

Commencement Date means the date set out in the Commencement Certificate being the date on which each of the Conditions Precedent stand satisfied, waived and/or deferred;

Commercial Operations Date means the date on which the Operations Period shall commence, such period commencing on the day immediately succeeding the Substantial Completion Date;

Concession means the right granted by the Implementing Agency to the Concessionaire to develop, build, operate and maintain the Concession Assets and carry out all other works that may be required to carry out such development, operation and maintenance in accordance with the terms of this Agreement, during the Concession Period;

Concession Assets means the Temporary Concession Assets and Permanent Concession Assets; provided, however, that the term "*Concession Assets*" shall expressly exclude any and all Carbon Credits (whether issued, verified, banked or in the process of verification) and all legal and beneficial title, rights, interests, offsets, and environmental attributes (whether tangible or intangible) associated therewith;

Concession Direct Agreement means the direct agreement that may be entered into between the Concessionaire, the Implementing Agency and the Financiers, if required by the Financiers;

Concession Period means, in respect of the Concession and the Concession Assets, the period commencing on the Commencement Date;

Concessionaire shall have the meaning ascribed thereto in the Preamble;

Concessionaire Authorized Representative shall have the meaning ascribed thereto in Section 7.4.1;

Concessionaire Conditions Precedent shall have the meaning ascribed thereto in Section 3.1.2;

Concessionaire Default Termination Amount shall have the meaning ascribed thereto in **SCHEDULE K** (***Termination Payment***);

Concessionaire Designated Account means the Pakistani Rupee denominated account of the Concessionaire wherein the Concessionaire Revenue Share shall be credited in accordance with this Agreement, details of which shall be notified in writing by the Concessionaire upon establishment, and from time to time thereafter, to the Project Account Bank, Implementing Agency, Independent Engineer and Independent Auditor;

Concessionaire Engaged Persons means each of the Concessionaire's representatives (including the Concessionaire Authorized Representative), agents, executives, contractors, employees, subcontractors, vendors, suppliers, parties with whom it has entered into the Project Agreements, Contractors and other personnel, in each case, that are engaged, hired, appointed, contracted (directly or indirectly) by the Concessionaire for the performance of Project Works or any part thereof;

Concessionaire Event of Default shall have the meaning ascribed thereto in Section 21.1 (*Concessionaire Event of Default*);

Concessionaire Indemnified Persons shall have the meaning ascribed thereto in Section 9.1.2;

Concessionaire Preliminary Notice shall have the meaning ascribed thereto in Section 22.2.1

Concessionaire Revenue Share means, in any given Revenue Evaluation Period, an amount equivalent to [•] percent ([•]%) of the Available Distributable Revenues.

Conditions Precedent shall have the meaning ascribed thereto in Section 3.1 (*Conditions Precedent*);

Contractor(s) means the Development Contractor and the O&M Contractor and any of the Concessionaire's other direct contractors and any of their direct sub-contractors integrally involved in the Project for the performance of Project Works (or any part thereof);

Corporate Documents means the constitutional documents and the corporate authorizations set out in **SCHEDULE F** (***Corporate Documents***);

Corrupt Act means:

(a) offering, giving or agreeing to give to the Implementing Agency, a Government Authority or to any Person employed by or on behalf of the

Implementing Agency and/or a Government Authority any gift or consideration of any kind as an inducement or reward:

(i) for doing or not doing (or for having done or not having done) any act in relation to the obtaining or performance of this Agreement or any other contract relating to this Agreement with the Implementing Agency and/or a Government Authority; or

(ii) for showing or not showing favor or disfavor to any Person in relation to this Agreement or any other contract relating to this Agreement with the Implementing Agency and/or a Government Authority;

(b) entering into this Agreement or any other contract relating to this Agreement with the Implementing Agency and/or a Government Authority in connection with which commission / discount has been paid / received (as the case may be) or has been agreed to be paid or received by the Concessionaire or on its behalf, or to its knowledge, unless before the relevant contract is entered into particulars of any such commission and the terms and conditions of any such contract for the payment of such commission / discount have been disclosed in writing to the Implementing Agency;

(c) committing any offence:

(i) under any law, in respect of fraudulent acts in relation to this Agreement, from time to time dealing with bribery, corruption or extortion;

(ii) under any law, in respect of fraudulent acts in relation to this Agreement, creating offences in respect of fraudulent acts; or

(iii) in respect of fraudulent acts in relation to this Agreement;

(d) in respect of fraudulent acts in relation to this Agreement, defrauding or attempting to defraud or conspiring to defraud the Implementing Agency or any other public body;

Cure Period means:

(a) in respect of a Concessionaire Event of Default:

(i) during any period when any Financing Due is outstanding, the period commencing on the date of receipt by the Concessionaire of the Implementing Agency Preliminary Notice and expiring on the date falling ninety (90) days thereafter, or such other time period as may be agreed in the Concession Direct Agreement;

(ii) during any period when any Financing Due is not outstanding, the period commencing on the date of receipt by the Concessionaire of the Implementing Agency Preliminary Notice and expiring on the date falling sixty (60) days thereafter;

(b) in respect of a Implementing Agency Event of Default, the period commencing on the date of receipt by the Implementing Agency of the Concessionaire Preliminary Notice and expiring on the date falling sixty (60) days thereafter;

Customer means any person purchasing Carbon Credits from the Concessionaire in accordance with a Carbon Credit Sales Agreement;

Debt Repayment Date means the date on which the financing availed is scheduled to be fully repaid;

Defects & Deficiencies means, in respect of Project Works, any Project Works (or any part thereof) that fail to conform to the Applicable Standards in any manner (including (without limitation) in services, performance, materials, execution, operations and maintenance and/or workmanship);

Delayed Payment Rate means the six (6) months KIBOR plus [•] percent ([•]%), compounded semi-annually, calculated for the actual number of days which the relevant amount remains unpaid on the basis of 365-day year;

Development Completion shall have the meaning ascribed thereto in Section 13.2.1;

Development Completion Certificate means the certificate issued by the Independent Engineer upon Development Completion;

Development Completion Checklist shall have the meaning ascribed thereto in Section 13.1.2;

Development Completion Date means the date certified as the '*Development Completion Date*' in the Development Completion Certificate;

Development Contract(s) means the agreement entered or to be entered into between the Concessionaire and the Development Contractor(s) in accordance with this Agreement, for, *inter alia*, procurement, implementation, development, plantation, completion, testing and inspection of the Concession Assets, as such agreement may be amended by the parties thereto from time to time;

Development Contractor(s) means the contractors engaged by the Concessionaire under the Development Contracts;

Development Performance Security means for the period commencing from the Effective Date till the Development Performance Security Expiry Date, in the form of a bank guarantee or a standby letter of credit issued by a scheduled bank in Pakistan (with a minimum credit rating of at least 'AA-' as rated by JCR VIS or an equivalent rating by PACRA) acceptable to the Implementing Agency, of an amount, in Pakistani Rupee, equal to PKR 100,000,000/- (Pakistani Rupees One Hundred Million Only);

Development Performance Security Expiry Date shall have the meaning ascribed thereto in Section 11.1.4;

Development Period means the period commencing on the Commencement Date and ending on the Development Completion Date;

Development Period Insurances means the Insurances procured and/or obtained by the Concessionaire pursuant to the provisions of and in accordance with Section 19.1 (*Development Period Insurances*) and **PART I (*Development Period Insurances*) OF SCHEDULE E (*Insurances*)**;

Development Quarterly Progress Report shall have the meaning ascribed thereto in Section 12.6.1;

Development Time for Completion means the time permitted herein for performance and completion of Development Works and all other obligations to be performed by the Concessionaire for the issuance of the Development Completion Certificate, as set out in and contemplated by the Applicable Standards, including the:

(i) completion of development works and services on or prior to the date set out in the Project Completion Schedule;

(ii) achievement of Substantial Completion on or prior to the Scheduled Substantial Completion Date; and

(iii) achievement of Project Development Completion on or prior to the Scheduled Project Development Completion Date;

Development Works means the obligations, works, services, activities, and duties undertaken and/or performed and/or to be undertaken and/or performed by the Concessionaire (including through the Development Contractor) during the Development Period, as more fully described in the Scope of the Project;

DFBOT means design, finance, build, operate and transfer;

Dispute shall have the meaning ascribed thereto in Section 26.1.1;

Dispute Resolution Procedure means the procedure for resolution of Disputes as set out in Article 26 (*Dispute Resolution*);

Divestment Requirements shall have the meaning ascribed thereto in Section 23.1.1;

Easementary Rights means all easements, reservations, rights-of-way, utilities and other similar purposes, or zoning or other restrictions relating to the Project Site and to the use of real property relating to the Project Site, which are

necessary or appropriate for the conduct of activities of the Concessionaire related to the Concession Assets;

Effective Date means the date on which this Agreement is signed by each of the Parties;

EIA Approval means the approval obtained by the Implementing Agency from the Balochistan Environmental Protection Agency in relation to the Project;

Emergency means a condition or situation that is likely to endanger the security of the individuals on or about the Project Site thereof or which poses an immediate threat of material damage to any of the Concession Assets or the Project Site;

Encumbrance means any encumbrance on an asset, including but not restricted to mortgage, charge, pledge, lien, hypothecation and/or any security interest, assignment, privilege or priority of any kind having the effect of security or other such obligations and shall include without limitation any designation of loss payees or beneficiaries or any similar arrangement under any insurance policy pertaining to the Concession Assets and/or any part or portion thereof and physical encumbrances and encroachments thereon;

Environmental Abnormality means any deviation from the baseline environmental conditions (as set out in the Baseline Assessment Report) or any climatic, hydrological, or ecological event (including unexpected rainfall patterns, soil salinity changes, pest infestations, or temperature fluctuations) which adversely affects the Project Works, the survival rate of the plantation, or the generation of Carbon Credits, regardless of whether such event constitutes Force Majeure;

Environmental Legal Requirements means any Legal Requirements relating to the protection of, or harm to, the environment, humans, animals, plants, air or to any water body or system (including any Legal Requirements relating to obligations for monitoring, investigation and abatement in respect of the foregoing);

Environmental Standards means collectively, the applicable environmental guidelines and occupational health and safety standards established by the

"*Pakistan Environmental Protection Agency*" and the Balochistan Environmental Protection Agency;

Equity means the issued and paid up share capital of the Concessionaire;

Escrow Account means the account established by the Concessionaire with the Escrow Agent;

Escrow Agent means the bank selected by the parties to the Escrow Agreement to manage the Revenues, compensation and expenditures of the Concessionaire; provided, that till the Financing Termination Date, such bank shall be one of the Financiers (or a financial institution designated by the same);

Escrow Agreement means the agreement entered into by and between, *inter alios*, the Implementing Agency, the Financiers, the Escrow Agent and the Concessionaire, prior to the Scheduled Commencement Date, in relation to, *inter alia*, the obligations of the Concessionaire to deposit in and utilize from the Escrow Account, all Revenues;

Excess Amounts means, at the Final Expiry Date, an amount equivalent to the funds standing to the credit of the Revenue Account less any outstanding amounts due to any third party for Project Costs incurred by the Concessionaire before such date;

Exit Implementation Period means:

(a) in case of Termination of this Agreement, the period commencing on the Termination Date and expiring on the Transfer Date;

(b) in case of expiry of this Agreement on the Final Expiry Date, the period commencing thirty (30) days prior to the Final Expiry Date and expiring on the Final Expiry Date;

Expenditures means, in respect of a Revenue Evaluation Period, the aggregate of all costs, fees, expenses, liabilities, duties, indemnities, damages, charges and Taxes incurred and/or to be incurred (including provisions and reserves for future costs) by the Concessionaire in relation to the Project, as certified by the Independent Auditor, including but not limited to: (a) all Taxes (whether

incurred, accrued or payable in the future); (b) insurance premiums and other costs relating to Insurances; (c) all costs, fees, expenses, duties, charges and taxes relating to the Project; (d) all Operation and Maintenance costs (including fees payable to the O&M Contractor); (f) fees and expenses payable to the Independent Engineer, Independent Auditor, Project Validating Body and Project Verification Body; (g) legal, accounting and professional fees; (h) costs related to the Issuance, Registration and Transfer of Carbon Credits; (i) all financing costs, including principal repayments, interest, mark-up, profit payments, commitment fees, participation fees, transaction costs, breakage costs, redemption premiums, hedging costs, and any other fees, charges or costs payable to the Financiers or incurred in connection with the Financing; and (j) any provisions or reserves set aside by the Concessionaire for future maintenance, capital expenditure or tax liabilities;

Extended Implementing Agency Financial Instrument shall have the meaning ascribed thereto in Section 16.7.3(a)(iii);

Extended Implementing Agency Financial Instrument Extension Failure Certificate shall have the meaning ascribed thereto in Section 16.7.4(b);

Final Expiry Date means the date falling after 552 months from the Commencement Date; provided, however, that the Final Expiry Date may be extended in accordance with Section 2.3 (*Extension of Concession Period*)

Financing Documents means any and all loan agreements, notes, bonds, indentures, security agreements, direct agreements, grant agreements, carbon or climate financing agreements entered into by the Concessionaire relating to the financing or refinancing of the Project;

Financing Due means the aggregate of the following sums expressed in Pakistani Rupees outstanding and payable to the Financiers under the Financing Documents up to the date of payment of the Termination Payment: (a) the principal amount of the financing provided and disbursed by the Financiers under the Financing Documents (including any additional financing or working capital facilities) and outstanding as of the Termination Date; (b) all interest, mark-up, profit payments, and other return on financing accrued but unpaid up to the date of payment of the Termination Payment; (c) all breakage costs, redemption premiums, prepayment penalties, makeup payments, and other

fees, costs or charges payable to the Financiers upon the early repayment or acceleration of the Financing; (d) all costs and expenses incurred by the Financiers in enforcing their rights under the Financing Documents; and (e) any amounts payable under any hedging agreements, interest rate swaps, currency swaps, or carbon forward sales/offtake agreement breakage costs entered into by the Concessionaire in connection with the Financing, including any termination payments thereunder.

First IA List shall have the meaning ascribed thereto in Section 6.1.1;

First IE List shall have the meaning ascribed thereto in Section 5.1.1;

Force Majeure Costs means all such costs that are directly attributable to, arise from and are a direct result of, in each case, a Force Majeure Event and shall include, but not be limited to: (a) capital costs; (b) costs and expenses in respect of the development, procurement, manufacture, commissioning, testing and completion of the Project; (c) financing costs (including interest, mark-up, principal repayment obligations, and any other fees or charges payable to the Financiers); (d) costs of Taxes imposed on or payable by the Concessionaire; (e) any development costs; (f) loss of revenue (including loss of Carbon Revenues and/or delay in realization of the same); (g) loss of profit and loss of business opportunity; (h) any operating costs; and (i) any other costs and expenses determined by the Independent Auditor and the Independent Engineer that are considered reasonable in the given circumstances; provided, however, all such additional costs and payment of interest and principal shall be subject to confirmation by the Independent Auditor and the Independent Engineer and provided further, for the purposes of determining such costs, information contained in the Financial Model shall be relied upon;]

Force Majeure Event means the occurrence of any or all of the Non-Political Events and/or the Political Events;

Force Majeure Notice shall have the meaning ascribed thereto in Section 20.2.1;

Force Majeure Period means, as determined by the Independent Engineer, the period commencing from the date of occurrence of a Force Majeure Event and ending on (a) the date on which the Affected Party resumes or should have resumed (as determined by the Independent Engineer) such of its obligations

the performance of which it was excused in terms of Section 20.8 (*Excuse from Performance of Obligations*); or (b) the Termination Date; as applicable;

GHG means any greenhouse gas, including but not limited to carbon dioxide (CO2), methane (CH4), nitrous oxide (N2O), hydrofluorocarbons (HFCs), perfluorocarbons (PFCs), sulphur hexafluoride (SF6), nitrogen trifluoride (NF3), or any other greenhouse gas recognized by the Intergovernmental Panel on Climate Change (IPCC);

GHG Reduction or Removal means, with respect to the Project, the measurable, reportable, and verifiable net reductions, removals, avoidance, sequestration or mitigation (as applicable) of GHG within the Project Site, relative to the Baseline, in compliance with the Project Carbon Standard;

Good Industry Practice means those practices, methods, techniques, standards, skills, diligence and prudence which are generally and reasonably expected from a reasonably skilled and experienced operator engaged in the same type of undertaking as envisaged in respect of the Concessionaire under this Agreement and acting generally in accordance with the provisions of the Applicable Laws, and would mean good engineering practices in the development and project management and which would be expected to result in the performance of its obligations by the Concessionaire and in the operation and maintenance of the Project in accordance with the Applicable Standards. "Good Industry Practices" are not limited to optimum practices, methods, techniques, standards, skills, diligence, prudence or acts to the exclusion of all others, but rather are a spectrum of possible practices, methods, techniques, standards, skills, diligence, prudence or acts which could have been expected to accomplish the desired result at reasonable cost consistent with reliability and safety;

Government Authority(ies) means the Government of Pakistan, the Implementing Agency, any governmental department, commission, board, body, bureau, agency, authority, instrumentality, court or other judicial or administrative body having jurisdiction over the Concessionaire, the Project, Project Site, the Concession Assets or any part thereof, or the performance of all or any of the services or obligations of the Concessionaire under or pursuant to this Agreement;

Implementing Agency shall have the meaning ascribed thereto in the Preamble;

Implementing Agency Agreements means:

(a) this Agreement;

(b) the Project Site Lease Agreement;

(c) the Concession Direct Agreement; and

(d) any other agreement entered into in respect of the Project between the:

(i) Implementing Agency; and

(ii) Concessionaire and/or the Financiers and/or the Sponsor in respect of the Project and designated as a "*Implementing Agency Agreement*" with the written consent of the Implementing Agency;

Implementing Agency Conditions Precedent shall have the meaning ascribed thereto in Section 3.1.3;

Implementing Agency Default Termination Amount shall have the meaning ascribed thereto in **SCHEDULE K** (***Termination Payments*)**;

Implementing Agency Designated Account means the Pakistani Rupee denominated account of Implementing Agency wherein the Implementing Agency Revenue Share shall be credited in accordance with this Agreement, details of which shall be notified in writing by Implementing Agency upon establishment, and from time to time thereafter, to the Project Account Bank, the Concessionaire, Independent Engineer and Independent Auditor;

Implementing Agency Event of Default shall have the meaning ascribed thereto in Section 21.2.1;

Implementing Agency Permits means all such approvals, consents, authorizations, notifications, concessions, acknowledgements, licenses, permits, decisions or similar items that relate to the Project and its

implementation including all such consents and authorisations issued by a Government Authority and which the Concessionaire is or its Contractors are required to obtain from any Government Authority and thereafter to maintain to fulfill its obligations under the Implementing Agency Agreements;

Implementing Agency Remedy Amount shall have the meaning ascribed thereto in Section 17.2.3;

Implementing Agency Remedy Invoice shall have the meaning ascribed thereto in Section 17.2.3;

Implementing Agency Representative means the representative of the Implementing Agency appointed by the Implementing Agency for purposes of this Agreement in accordance with Section 8.4 *(Implementing Agency Representative)*;

Implementing Agency Revenue Share means, in any given Revenue Evaluation Period, an amount equivalent to [•] percent ([•]%) of the Available Distributable Revenues;

Indemnified Party shall have the meaning ascribed thereto in Section 9.3.1;

Indemnifying Party shall have the meaning ascribed thereto in Section 9.3.1;

Independent Auditor means the auditor appointed in respect of the Project in accordance with Article 6 (*Independent Auditor*) and in terms of the Independent Auditor Contract;

Independent Auditor Appointment Term shall have the meaning ascribed thereto in Section 6.2.1;

Independent Auditor Contract means the contract to be entered into between the Implementing Agency, the Concessionaire, the Independent Auditor and any other Person agreed by the Parties in accordance with Article 6 (*Independent Auditor*);

Independent Auditor Payment Account means the account to be established by the Concessionaire and Notified to the Implementing Agency, in accordance with the terms of this Agreement and the Independent Auditor Contract;

Independent Auditor Payment Account Bank means a banking company mutually agreed between the Parties for the purposes of establishing and maintaining the account pursuant to the terms of the Independent Auditor Contract, the Implementing Agency Agreement and the Project Agreements;

Independent Auditor Payments shall have the meaning ascribed thereto in Section 6.5.1;

Independent Engineer means the engineer appointed in respect of the Project in accordance Article 5 (*Independent Engineer*) and in terms of the Independent Engineer Contract;

Independent Engineer Appointment Term shall have the meaning ascribed thereto in Section 5.2.1;

Independent Engineer Contract means the contract to be entered into between the Implementing Agency, the Concessionaire, the Independent Engineer and any other Person agreed by the Parties, in accordance with Article 5 (*Independent Engineer*);

Independent Engineer Payment Account means the account to be established by the Concessionaire and Notified to the Implementing Agency, in accordance with the terms of this Agreement and the Independent Engineer Contract;

Independent Engineer Payment Account Bank means a banking company mutually agreed between the Parties for the purposes of establishing and maintaining the account pursuant to the terms of the Independent Engineer Contract, the Implementing Agency Agreement and the Project Agreements;

Independent Engineer Payments shall bear the meaning ascribed thereto in Section 5.5.1;

Indicative Independent Auditor Terms of Reference means the duties, functions and the scope of work to be performed by the Independent Auditor,

as indicatively attached herewith as **SCHEDULE H - PART I** (***Indicative Independent Auditor Terms of Reference***); provided, however, upon execution of the Independent Auditor Contract, the scope of work of the Independent Auditor set out therein shall be deemed to replace **SCHEDULE H - PART I** (***Indicative Independent Auditor Terms of Reference***);

Indicative Independent Engineer Terms of Reference means the duties, functions and the scope of work to be performed by the Independent Engineer, as indicatively attached herewith as **SCHEDULE H-PART II** (***Indicative Independent Engineer Terms of Reference***); provided, however, upon execution of the Independent Engineer Contract, the scope of work of the Independent Engineer set out therein shall be deemed to replace **SCHEDULE H - PART II** (***Indicative Independent Engineer Terms of Reference***);

Insurances means all insurances, reinsurance, agreements of insurance and reinsurance and/or arrangement for insurance and/or reinsurance in relation to the Project, the Concession Assets, the Development Works and/or any part or portion thereof procured or to be procured by the Concessionaire, including but not restricted to the Development Period Insurances and the Operations Period Insurances;

International Marketing Agent means an entity incorporated or established in a jurisdiction outside Pakistan (which may be an Affiliate of the Concessionaire or the Sponsors) engaged by the Concessionaire for the purposes of marketing, selling, trading, and/or monetizing the Carbon Credits in the international Carbon Markets;

Issuance means the issuance of Carbon Credits into the Project Carbon Standard Registry in respect of GHG Reduction or Removal achieved by the Project, and **Issue**, **Issuing** and **Issued** shall be construed accordingly;

ITMO means internationally transferred mitigation outcomes, as defined in the Paris Agreement;

Lapse of Consent means any Implementing Agency Permit:

(a) ceasing to remain in full force and effect and not being renewed or replaced within the time period prescribed by the Applicable Laws for

the renewal or replacement of such Implementing Agency Permit or, where a time period is not prescribed by the Applicable Laws, within sixty (60) days of such Implementing Agency Permit ceasing to be in full force and effect; or

(b) not being issued upon application having been properly and timely made and diligently pursued within the time period prescribed by the Applicable Laws or where a time period is not prescribed by the Applicable Laws, within sixty (60) days of proper application being made for such Implementing Agency Permit; or

(c) being made subject, upon renewal, or otherwise, to any terms or conditions that materially and adversely affect the Concessionaire's (or a Contractor's) ability to perform its obligations under any document included within Implementing Agency Agreements and/or the Project Agreements,

in each of the above instances despite such party's compliance with the applicable procedural and substantive requirements as applied in a "*non-discriminatory*" (as explained in Section 8.3.2) manner;

Lease shall have the meaning ascribed thereto in Section 4.1.1;

Legal Requirements means all Applicable Laws;

Losses means any loss, damage, liability, payment and obligation (excluding any indirect or consequential loss, damage, liability, payment or obligation), and all expenses (including, without limitation, reasonable legal fees);

Main Body means this Agreement *excluding* the Schedules;

Managed Areas mean the areas around the Project Site, as recognized by the Project Carbon Standard, which may be impacted by the Project Works;

Material Adverse Effect means, in the opinion of the Independent Engineer (in respect of technical matters) and/or in the opinion of the Independent Auditor (in respect of financial matters), there has occurred or could reasonably be

expected to occur an effect, event, matter or circumstance or a change in the circumstances which materially and adversely impairs:

(a) the business, operations, property, assets, present or future condition (financial or otherwise) or prospects of the Concessionaire, Sponsor or Contractor) in respect of the Project;

(b) the ability or probability (financial or otherwise) of the Concessionaire, Sponsor or Contractor to perform and observe its respective obligations under the Project Agreements;

(c) the legality, validity or enforceability of, or the rights, obligations or remedies of, the Implementing Agency under this Agreement; and/or

(d) the Concessionaire's ability to implement, finance, develop, operate and maintain the Project in accordance with the terms of the Project Agreements;

Material Adverse Impediment shall have the meaning ascribed to it in Section 4.11.1;

Material Breach means breach by either Party or Sponsor of any of its /their obligations under the Implementing Agency Agreements which has/is likely to have a Material Adverse Effect on the Project and which such breaching Party shall have failed to cure (within the applicable Cure Period) and if such Cure Period is not applicable then the date falling forty-five (45) days following the date of receipt of a notice issued by the non-breaching Party to the breaching Party to cure such breach;

Minimum Indemnification Amount means the amount equal to PKR [•]/- (Pakistani Rupees [•] only) that a Party's claims for indemnification pursuant to Article 9 (*Indemnities & Limitation of Liabilities*) must exceed in the aggregate before that Party shall be entitled to indemnification;

Missed Season Event shall have the meaning ascribed thereto in Section 13.1.4:

Monitoring means activities undertaken pursuant to the Monitoring Plan, of collecting and recording data in accordance with the Project Design Document

and the Project Carbon Standard, to assess, inter alia, the GHG Reductions or Removals and Co-benefits resulting from the Project, and **Monitor** and **Monitored** are to be construed accordingly;

Monitoring and Verification Cycle means the process of preparing and submitting a Monitoring Report to the Project Verification Body for the preparation of a Verification Report, in respect of a Monitoring and Verification Period, in accordance with Section 11.6 (Monitoring, Verification and Issuance);

Monitoring and Verification Period means each period in respect of which:

(a) the Concessionaire shall undertake Monitoring; and

(b) the Project Verification Body shall conduct Verification;

Monitoring Plan shall have the meaning ascribed thereto in Section 12.7.1(a);

Monitoring Report means a report prepared by or on behalf of the Concessionaire setting out the quantity of GHG Reductions or Removals and Co-benefits resulting from the Project during the relevant Monitoring and Verification Period, as Monitored in accordance with the Monitoring Plan;

NDC shall mean the contributions that each member country of the Paris Agreement is required to make under Article 4 of the Paris Agreement;

New IA List shall have the meaning ascribed thereto in Section 6.2.3;

New IE List shall have the meaning ascribed thereto in Section 5.2.3;

New O&M Performance Security shall have the meaning ascribed to it in Section 11.2.7;

Non-Political Event shall bear the meaning ascribed thereto in Section 20.1.1(b);

Non-Political Event Termination Amount shall have the meaning ascribed thereto in **SCHEDULE K** (***Termination Payments*)**;

Notice of Remedy shall have the meaning ascribed thereto in Section 17.2.1(c);

Notice, Notify, Notification and its grammatical variations means as notified in writing;

O&M Contract means the contract entered into or that may be entered into by the Concessionaire in accordance with this Agreement for the provision of the Operation and Maintenance;

O&M Contractor means the Person of good repute with whom the Concessionaire has entered into or may enter into the O&M Contract;

O&M Performance Security means the performance security, in the form of a bank guarantee or a standby letter of credit, issued by a scheduled bank in Pakistan (with a minimum credit rating of at least 'AA-' as rated by JCR VIS or an equivalent rating by PACRA) acceptable to the Implementing Agency, being in an amount equal 5% of the annual O&M cost for each Operational Year, to which it pertains, furnished from time to time by the Concessionaire to the Implementing Agency in accordance with Section 11.2 (*O&M Performance Security*), in case of a bank guarantee, the same shall be in form and substance as attached hereto as **SCHEDULE G** (***Form of O&M Performance Security***);

O&M Time For Completion means the time permitted herein for performance and completion of Operations and Maintenance and all other obligations to be performed by the Concessionaire during the Operations Period, as set out in and contemplated by the Applicable Standards;

Offshore Project Account Bank means a bank or financial institution incorporated or organized outside Pakistan where the Offshore Revenue Account shall be established;

Offshore Revenue Account means the United States Dollar (or other foreign currency) denominated account: (a) established by the Concessionaire; or (b) established by the International Marketing Agent (for and on behalf of the Concessionaire), in each case, with the Offshore Project Account Bank, in which the Project Revenues shall be deposited;

Onshore Project Account Bank means a banking company incorporated under the laws of Pakistan and/or such other scheduled bank in Pakistan, where the Onshore Revenue Account shall be established;

Onshore Revenue Account means the Pakistani Rupee denominated account of the Concessionaire to be established with the Onshore Project Account Bank;

Operation and Maintenance or **Operate and Maintain** means all obligations, works, services and duties undertaken and/or performed and/or to be undertaken and/or performed by the Concessionaire during the Operations Period pursuant to the Applicable Standards including (a) the operation and maintenance of the Concession Assets during the Operations Period; (b) functions of operations, maintenance, safety measurements etc., and performance of other services and obligations incidental thereto;

Operational Year means a period of one (1) year commencing on each consecutive anniversary of the Commercial Operations Date (except for the first (1^{st}) Operational Year which shall start on the Commercial Operations Date) and ending as of the end of the day preceding the next anniversary of the Commercial Operations Date;

Operations Period means the period commencing on the Commercial Operations Date and ending on the Trigger Date;

Operations Period Insurances means the Insurances procured and/or obtained by the Concessionaire pursuant to the provisions of and in accordance with Section 19.2 (*Operations Period Insurances*) and **PART I (*Operations Period Insurances*) OF SCHEDULE E (*Insurances*)**;

Outer Security Cordon shall have the meaning ascribed thereto in Section 4.12.1;

Outstanding Completion Works means such part of the Development Works, which, in the opinion of the Independent Engineer, are not of a material nature and will not adversely impact or delay the Operation and Maintenance and Issuance of Carbon Credits;

Outstanding Termination Payment shall have the meaning ascribed thereto in Section 16.8.1 (c);

PKR or **Pakistani Rupees** means the lawful currency of the Islamic Republic of Pakistan;

Paris Agreement means the agreement under the United Nations Framework Convention on Climate Change which entered into force on November 4, 2016;

Party or Parties shall have the meaning ascribed thereto in the Preamble;

Payable Termination Payment Amount Shortfall shall have the meaning ascribed thereto in Section 16.8.1 (b);

Permanent Concession Assets means all Project Facilities and all rights, title, benefits and easements that may be required for the operation and maintenance of the Project, in accordance with this Agreement; provided that "*Permanent Concession Assets*" shall not include any Carbon Credits or any proprietary intellectual property of the Concessionaire;

Permitted Events means:

(a) Force Majeure Events;

(b) Implementing Agency Events of Default;

(c) Emergency;

(d) Material Adverse Impediment, to the extent the same does not result from reasons attributable to the Concessionaire;

(e) a Change in Law causing a delay in the performance of the Concessionaire's obligations under this Agreement;

(f) the occurrence of the circumstances set out in Section 4.7 (*Geological and Archeological Finds*) causing a delay in the performance of the Concessionaire's obligations under this Agreement; and

Person means any individual, firm, company, corporation, society, partnership (whether or not having a separate legal personality), joint venture, trust, unincorporated organization, government state, association or Government Authority or any other legal entity and shall include successors and assigns;

Planting Windows shall have the meaning ascribed thereto in Section 13.1.3;

Political Event shall have the meaning ascribed thereto in Section 20.1.1(a);

Political Event Termination Amount shall have the meaning ascribed thereto in **SCHEDULE K** (***Termination Payments***);

Principal has the meaning ascribed thereto in the definition of 'Financing Due';

Project means the project titled "*Carbon Offset Project*" including each of the following activities, as performed (in each case) in accordance with this Agreement:

(a) the Project Works to be undertaken on the Project Site and all associated facilities and infrastructure to be developed, maintained, monitored, and transferred by the Concessionaire, as more fully described in the Scope of the Project;

(b) the ownership and possession of the Concession Assets;

(c) the financing, development, procurement, permitting, testing and commissioning of, in each case, the Concession Assets;

(d) the procurement and contracting for goods, equipment and services for the Concession Assets;

(e) the insuring and Operation and Maintenance of the Concession Assets;

(f) the recruitment, employment and training of staff for the Concession Assets;

(g) the handover of the Project Site and the transfer of the Concession Assets to the Implementing Agency in terms of this Agreement;

(h) the marketing of the Carbon Credits;

(i) Validation and Registration;

(j) Monitoring and Verification;

(k) the generation and sharing of Project Revenues between the Parties in terms of this Agreement;

(l) meeting the Performance Guarantees;

(m) Issuance and sale of Carbon Credits;

(n) all activities incidental or related to any of the above;

Project Account Bank means collectively, the Onshore Project Account Bank and the Offshore Project Account Bank;

Project Agreements means:

(a) this Agreement;

(b) the Financing Documents;

(c) the O&M Contract;

(d) the Development Contract;

(e) any other material contract entered into or to be entered into by the Concessionaire at any time after the Effective Date in connection with the Project and designated as a "Project Agreement" with the consent of the Implementing Agency;

Project Carbon Standard shall have the meaning ascribed thereto in Section 13.1.1;

Project Carbon Standard Body shall have the meaning ascribed thereto in Section 13.1.1;

Project Carbon Standard Registry means the Carbon Standard Registry operated by the Project Carbon Standard Body;

Project Design Document shall have the meaning ascribed thereto in Section 12.8.1(a);

Project Facilities means the facilities to be constructed, built, installed, erected and/or provided by the Concessionaire on the Project Site, as detailed in **SCHEDULE B** (***Project Facilities***);

Project Implementation Plan shall have the meaning ascribed thereto in Section 12.4.1;

Project Implementation Schedule means the schedule attached herewith as **SCHEDULE C** (***Project Implementation Schedule***) setting out:

(a) the Scheduled Commencement Date;

(b) the Scheduled Substantial Completion Date;

(c) the Scheduled Development Completion Date;

Project Revenue means the Carbon Revenues;

Project Site means the site on which the Project is to be implemented comprising of the immovable property on which the Project Facilities (including the Concession Assets) are to be located in terms of this Agreement and as demarcated in the map attached hereto in **SCHEDULE D** (***Project Site***);

Project Site Conditions shall have the meaning ascribed to it in Section 4.3.1;

Project Site Lease Agreement means the agreement of Lease (in the form agreed between the Parties) to be entered into between the Implementing Agency and the Concessionaire pursuant to which the Implementing Agency shall Lease the land comprising the Project Site to the Concessionaire;

Project Validating Body shall have the meaning ascribed thereto in Section 9.5.2;

Project Verification Body means, with respect to each Monitoring and Verification
Cycle, the VVB selected in accordance with Section 11.6.3(b)(i);

Project VVBs means the Project Validation Body and the Project Verification Body, and **Project VVB** means any of them;

Project Works means all obligations, works, services and duties undertaken and/or performed and/or to be undertaken and/or performed by the Concessionaire pursuant to the Applicable Standards and shall include:

(a) the Development Works and all obligations, works, services and duties undertaken and/or performed and/or to be undertaken and/or performed by the Concessionaire until the Development Completion Date;

(b) the Operations and Maintenance and all obligations, works, services and duties undertaken and/or performed and/or to be undertaken and/or performed by the Concessionaire during the Operations Period;

Protected Assets shall have the meaning ascribed thereto in Section 8.5.1(b);

Recitals means the recital(s) to this Agreement;;

Registration means formal acceptance by the Project Carbon Standard Body of the Project, and **Register**, **Registering** and **Registered** shall be construed accordingly;

Relief Event(s) shall have the meaning ascribed thereto in Section 14.2.1;

Relief Order means a written order jointly issued by the Independent Auditor and the Independent Engineer to the Parties pursuant to Article 15 (*Adverse Carbon Risk Event* & *Relief Extensions*) authorizing an extension of Time for

Completion in accordance with Article 14 (*Adverse Carbon Risk Event & Relief Extensions*);

Relief Order Proposal shall have the meaning ascribed thereto in Section 14.4.1;

Relief Order Request shall have the meaning ascribed thereto in Section 14.2.1;

Remedy Events shall have the meaning ascribed thereto in Section 17.2.1;

Remedy Time Period shall have the meaning ascribed thereto in Section 17.2.1(c);

Retirement means the permanent removal or cancellation of a Carbon Credit from circulation, rendering it ineligible for resale, transfer, or further use, in accordance with the requirements of the Project Carbon Standard Body, and **Retire** shall be construed accordingly;

Revenue Account means the Onshore Revenue Account and/or the Offshore Revenue Account (as the context may require), details of which shall be notified in writing by the Concessionaire (and confirmed by the Project Account Bank) upon establishment to Implementing Agency, Independent Engineer and Independent Auditor;

Revenue Evaluation Period means each Operational Year commencing at 00:00 hours on the first day of such Operational Year and ending at 23:59 hours on the last day of such Operational Year; provided, however, that the last Revenue Evaluation Period shall end on the Transfer Date;

Revenue Sharing Certificate shall have the meaning ascribed thereto in Section 16.4.1;

RFP shall have the meaning ascribed to in Recital A above;

Safety Requirements means the arrangements and procedures for conducting safety related measures in respect of the Concession Assets;

Scheduled Commencement Date means the date [•] days after the Effective Date, as may be extended from time to time in accordance with this Agreement;

Scheduled Development Completion Date means the date falling [•] days after the Substantial Completion Date;

Scheduled Substantial Completion Date means the date falling [•] months after the Commencement Date, as such date as may be extended from time to time in accordance with the terms of this Agreement solely pursuant to a Relief Order;

Scope of the Project means the scope of the Project, as set out in **SCHEDULE A** (***Scope of the Project***);

Security Event means the occurrence of any of the following events which materially impedes the performance of the Project Works or endangers the safety of the Concessionaire's personnel: (a) any tribal feud, tribal dispute, or civil unrest within the Project premises or along the access routes thereto; (b) any targeted threat, intimidation, blackmail, extortion attempt, or act of violence directed at the Concessionaire, its Contractors, or their respective employees; (c) the withdrawal of security cover (including levies or frontier corps) by the Government Authority without the consent of the Concessionaire; or (d) the issuance of a security advisory by a Government Authority, a diplomatic mission, or the Concessionaire's security consultants advising against travel to or presence at the Site;

Security Infrastructure means the physical security installations required for the Project, including watchtowers, perimeter fencing, check-posts, and accommodation for security personnel;

Specific Nature Events means, from the Commencement Date until the Final Expiry
Date, the following events or circumstances:

(a) droughts resulting in non-availability of water: (i) for broadcasting of seeds; (ii) for plantation area which needed to be inundated for growth / survival; and/or (iii) resulting in groundwater depletion required for high-lying areas;

(b) excessive flooding of the river resulting in damage to the plantations or seedlings; and/or

(c) disease and pest epidemics;

Sponsor Invested Equity means the amount injected by the Sponsor as part of the Equity for the implementation of the Project, as certified by the Independent Auditor;

Sponsor Loan means the aggregate of all amounts (whether principal, interest, mark-up or other charges) advanced by the Sponsors to the Concessionaire as subordinated debt for the purposes of financing the Project; provided that the terms of this Sponsor Loan shall be at the sole discretion of the Sponsor;

Sponsor(s) means [•];

State Bank Approved Auditors means the Audit firm from SBP 'Category A' approved list and / or any other successor-chartered accountancy firm categorized as one of the State Bank Approved Auditors;

Substantial Completion shall have the meaning ascribed thereto in Section 13.1.1;

Substantial Completion Certificate means the certificate issued by the Independent Engineer at the request of the Concessionaire in accordance with Article 14 (*Substantial Completion Certificate*);

Substantial Completion Date means the date referred to as '*Substantial Completion Date*' in the Substantial Completion Certificate;

Suspension shall have the meaning ascribed thereto in Section 17.3.1;

Tax(es) means any and all taxes (including corporate tax, minimum tax, alternate corporate tax, capital gains tax, and income tax), cesses, duties, levies, imposts, fees, charges, surcharges, rates, and other assessments of any nature whatsoever, whether direct or indirect, existing or future, charged, levied, imposed or collected by any Government Authority (federal, provincial, local or municipal), including but not limited to: (a) sales tax, value added tax, service

tax, and excise duty; (b) customs duties, import duties, and regulatory duties; (c) stamp duties, registration fees, notarization fees, and court fees (including those applicable to this Agreement, the Lease Agreement and the Financing Documents); (d) withholding taxes (whether on income, dividends, interest, payments to contractors, or otherwise); (e) carbon taxes, environmental taxes, energy taxes, fuel taxes, or any levy on the generation or sale of Carbon Credits; (f) local government taxes, municipal charges, water charges, betterment taxes, and property taxes; (g) royalties, license fees, and permit fees; and (h) any interest, penalties, fines, or surcharges imposed in respect of any of the foregoing;

Temporary Concession Assets means the land, assets, rights, title, benefits and easements required for the development of the Permanent Concession Assets;

Termination means the termination of this Agreement and the Concession hereunder upon the issuance of a Termination Notice in accordance with the terms hereof and to the extent stated herein; and **Terminate** and its grammatical variations shall be construed accordingly;

Termination Date means the date of issuance of the Termination Notice;

Termination Dividend Amount means the aggregate return on Equity for shares for each of the three (3) Accounting Years falling immediately after the Termination Date, the same being an amount equal to the aggregate of Termination Equity IRR applied to the Equity for each of the three (3) Accounting Years falling after the Termination Date, as illustrated in Schedule L *(Illustrations)*;

Termination Equity means, as of the Transfer Date occurring due to Termination, the aggregate of the Sponsor Invested Equity reduced on a straight-line basis from the Substantial Completion Date through the term of this Agreement, as illustrated in Schedule L *(Illustrations)*;

Termination Equity IRR means the post-tax internal rate of return, the same being [•], on the Equity shares;

Termination Notice means a notice to be issued in writing, by a Party notifying the other Party of the Termination in accordance with the applicable provisions

of this Agreement including, where applicable, following the expiry of the relevant Cure Period or such other cure period specified in this Agreement;

Termination Payment means:

(a) in respect of Termination due to a Concessionaire Event of Default, the Concessionaire Default Termination Amount;

(b) in respect of Termination due to a Corrupt Act, the Corrupt Act Termination Amount;

(c) in respect of Termination due to a Implementing Agency Event of Default, the Implementing Agency Default Termination Amount;

(d) in respect of Termination due to a Political Event, the Political Event Termination Amount;

(e) in respect of Termination due to a Non-Political Event, the Non-Political Event Termination Amount;

(f) in respect of Termination due to a Change in Law, the Change in Law Termination Amount;

(g) in respect of Termination due to a Adverse Carbon Market Event, the Adverse Carbon Market Event Termination Amount;

Termination Payment Date means the date on which the Implementing Agency has made payment of the relevant Termination Payment to the Concessionaire such date not exceeding ninety (90) days following the Termination Date;

Time for Completion means (as applicable):

(a) in respect of Development Works, the Development Time for Completion; and

(b) in respect of Operations & Maintenance, the O&M Time for Completion;

Transfer means the transfer of Carbon Credits from one account with the Project Carbon Standard Registry to another, subject to and in accordance with the relevant rules of the Carbon Standard Body, and **Transferred** and **Transferring** are to be construed accordingly;

Transfer Date means:

(a) in case of early Termination of this Agreement prior to the Final Expiry Date, the Termination Payment Date subject to: (i) the Implementing Agency making payment of the relevant Termination Payment to the Concessionaire; and (ii) the Concessionaire completing the Divestment Requirements on or prior to such date;

(b) in case of achievement of Final Expiry Date pursuant to this Agreement, the Final Expiry Date;

Trigger Date means and includes, the Final Expiry Date and/or the Termination Date, as the case may be;

Unit Price means price at which a Carbon Credit is sold, or may be sold, under a respective Carbon Credit Sale Agreement denominated in USD (or the equivalent USD amount, calculated at the rate of exchange prevailing at the date of the relevant transaction);

Unpaid Termination Payment Amount shall have the meaning ascribed thereto in Section 16.8.1;

Unpaid Termination Equity Amount shall have the meaning ascribed thereto in Section 22.4.2(b);

Unpaid Termination Payment Amount Certificate shall have the meaning ascribed thereto in Section 16.8.1;

Vacant Possession means delivery to the Concessionaire by the Implementing Agency of possession of the Project Site in accordance with this Agreement, in accordance with Applicable Laws, and in accordance with the Project Site Lease Agreement free from all Encumbrances, encroachments, existing trees, existing structures and utilities etc., a good marketable title with no defect in title and

the grant of all Easementary Rights and all other rights appurtenant thereto, such that the Concessionaire enjoys complete uninterrupted and quiet possession and control of the Project Site from the grant of the Lease and throughout the Concession Period;

Validation means the process of independent evaluation and validation of the Project Design Document by the Project Validating Body in accordance with the rules and requirements of the Project Carbon Standard, and **Validate** shall be construed accordingly;

Validation Report means the written report prepared and issued by the Project Validating Body confirming the Validation of the Project Design Document;

Verification means, in respect of any Monitoring and Verification Period, the ex-post verification of, inter alia, the amount of GHG Reductions or Removals and Co-benefits achieved by the Project during such Monitoring and Verification Period in accordance with the rules of the Project Carbon Standard Body, and the requirements of the Project Carbon Standard, and **Verify** and **Verified** are to be construed accordingly;

Verification Report means a written report prepared and issued by the Project Verification Body in relation to the Verification, assessing the Monitoring Report for the relevant Monitoring and Verification Period;

Vesting Certificate shall have the meaning ascribed thereto in Section 23.4.1; and

VVB means an independent third party accredited or recognised by the Project Carbon Standard entitled to carry out validation and/or verification, as the case may be, in accordance with the Project Carbon Standard.

1.2 CONSTRUCTION

1.2.1 In this Agreement, unless the context otherwise requires:

(a) references to any legislation or any provision thereof shall include amendment or re-enactment or consolidation of such legislation or any provision thereof so far as such amendment or re-enactment or

consolidation applies or is capable of applying to any transaction entered into hereunder;

(b) references to laws of Pakistan or Pakistan law or regulation having the force of law shall include the laws, acts, ordinances, rules, regulations, bye laws or notifications which have the force of law in the territory of Pakistan and as from time to time may be amended, modified, supplemented, extended or re-enacted;

(c) the table of contents, headings or sub-headings in this Agreement are for convenience of reference only and shall not be used in, and shall not affect, the construction or interpretation of this Agreement;

(d) the words "**include**" and "**including**" are to be construed without limitation and shall be deemed to be followed by "**without limitation**" or "**but not limited to**" whether or not they are followed by such phrases;

(e) references to "**construction**" or "**building**" include, unless the context otherwise requires, investigation, design, developing, engineering, procurement, delivery, transportation, installation, processing, fabrication, testing, commissioning and other activities incidental to the construction, and "**construct**" or "**build**" shall be construed accordingly;

(f) references to "**development**" include, unless the context otherwise requires, construction, renovation, refurbishing, augmentation, up-gradation and other activities incidental thereto, and "**develop**" shall be construed accordingly;

(g) any reference to any period of time means a reference to that according to Pakistan Standard Time;

(h) any reference to day means a reference to a calendar day as per the Gregorian Calendar;

(i) references to a "**business day**" shall be construed as a reference to a day (other than a Sunday) on which banks in Pakistan are generally open for business;

(j) any reference to month means a reference to a calendar month as per the Gregorian calendar;

(k) references to any date, period means and include such date, period as may be extended pursuant to Relief Order;

(l) any reference to any period commencing "**from**" a specified day or date and "**till**" or "**until**" a specified day or date shall include both such days or dates; provided, that if the last day of any period computed under this Agreement is not a business day, then the period shall run until the end of the next business day;

(m) the words importing singular shall include plural and vice versa;

(n) references to any gender shall include the other and the neutral gender;

(o) "**indebtedness**" shall be construed so as to include any obligation (whether incurred as principal or surety) for the payment or repayment of money, whether present or future, actual or contingent;

(p) references to the "**winding-up**", "**dissolution**", "**insolvency**", or "**reorganization**" of a company or corporation shall be construed so as to include any equivalent or analogous proceedings under the law of the jurisdiction in which such company or corporation is incorporated or any jurisdiction in which such company or corporation carries on business including the seeking of liquidation, winding-up, reorganization, dissolution, arrangement, protection or relief of debtors;

(q) save and except as otherwise provided in this Agreement, any reference, at any time, to any agreement, deed, instrument, Lease or document of any description shall be construed as reference to that agreement, deed, instrument, Lease or other document as amended, varied, supplemented, modified or suspended at the time of such reference; provided, that this sub-section shall not operate so as to increase liabilities or obligations of the Implementing Agency hereunder or pursuant hereto in any manner whatsoever;

(r) any agreement, consent, approval, authorization, notice, communication, information or report required under or pursuant to this Agreement from or by any Party, the Independent Engineer or the Independent Auditor shall be valid and effective only if it is in writing under the hand of a duly authorized representative of such Party, the Independent Engineer or the Independent Auditor, as the case may be, in this behalf and not otherwise;

(s) the Schedules and Recitals to this Agreement form an integral part of this Agreement and shall be in full force and effect as though they were expressly set out in the body of this Agreement;

(t) references to Recitals, Articles, Sections, or Schedules in this Agreement shall, except where the context otherwise requires, mean references to Recitals, Articles, Sections, and Schedules of or to this Agreement, and references to a Paragraph shall, subject to any contrary indication, be construed as a reference to a Paragraph of this Agreement or of the Schedule in which such reference appears; and

(u) time shall be of the essence in the performance of the Parties' respective obligations. If any time period specified herein is extended, such extended time shall also be of the essence.

1.2.2 The rule of construction, if any, that a contract should be interpreted against the parties responsible for the drafting and preparation thereof, shall not apply.

1.2.3 Any word or expression used in this Agreement shall, unless otherwise defined or construed in this Agreement, bear its ordinary English meaning and, for these purposes, the General Clauses Act 1897 shall not apply.

1.3 COSTS FOR DOCUMENTS

1.3.1 Unless expressly provided otherwise in this Agreement, any documentation required to be provided or furnished by the Concessionaire to the Implementing Agency, the Independent Engineer and/or the Independent Auditor or any other relevant person so appointed or nominated by the Implementing Agency, the Financiers or any other person legally so required shall be provided free of cost and in three (3) copies, and if the Implementing Agency, the Independent

Engineer and/or the Independent Auditor is required to return any such documentation with their comments and/or approval, they shall be entitled to retain two (2) copies thereof.

1.4 MEASUREMENTS AND ARITHMETIC CONVENTIONS

1.4.1 All measurements and calculations in respect of financial matters shall be in the metric system and calculations done to two (2) decimal places, with the third digit of five (5) or above being rounded up and below five (5) being rounded down, however all calculations in respect of technical matters shall be in SI/foot pound and second system in accordance with the provision of this Agreement.

1.5 PRIORITY OF AGREEMENTS, ARTICLES, SECTIONS AND SCHEDULES

1.5.1 This Agreement, and all other agreements and documents forming part of this Agreement are to be taken as mutually explanatory and, unless otherwise expressly provided elsewhere in this Agreement, the priority of this Agreement and the other Implementing Agency Agreement and other documents and agreements forming part thereof or referred to therein shall, in the event of any conflict between them, be in the following order (unless otherwise agreed between the Parties):

(a) this Agreement;

(b) the Implementing Agency Agreements (other than this Agreement).

1.5.2 Subject to the provisions of Section 1.5.1, in the event of any ambiguity and/or discrepancies with regard to this Agreement, the following shall apply:

(i) between two or more Articles and/or Section of this Agreement, the provisions of a specific Article relevant to the issue under consideration shall prevail over those in other Article and/or Section;

(ii) between the Article and/or Section of this Agreement and the Schedules, the Article and/or Section shall prevail unless the issue in question/matter is specifically provided for in the Schedule and only referred to in the Article and / or Section, as the case may be;

(iii) between any two Schedules, the Schedule relevant to the issue shall prevail;

(iv) between the dimension scaled from specific written dimension, the latter shall prevail; and

(v) between any value written in numerals and that in words, the latter shall prevail.

2. CONCESSION

2.1 GRANT OF CONCESSION

2.1.1 In consideration of the Concessionaire's obligations contained in this Agreement and relying on the Concessionaire's representations, warranties and covenants contained herein, the Implementing Agency, subject to the terms of this Agreement, hereby authorizes the Concessionaire, for the duration of the Concession Period, to investigate, study, procure, finance, construct, develop, operate, maintain and implement the Project on a design, build, operate, finance and transfer basis, and to exercise and enjoy the rights, powers, benefits, privileges, Project Revenue collection, authorizations and entitlements as set forth in this Agreement.

2.1.2 The Concessionaire agrees and undertakes to implement the Project in accordance with the terms of this Agreement and the Implementing Agency Agreements.

2.2 CONCESSION PERIOD

2.2.1 The Concession hereby is granted and shall be effective for the Concession Period.

2.3 EXTENSION OF CONCESSION PERIOD

2.3.1 The Concessionaire may, at its sole option and discretion, by written notice to the Implementing Agency, require an extension of the Concession Period for an additional term at any time at least one (1) year prior to the Final Expiry Date. The Independent Auditor and Independent Engineer shall assess the case to ensure that the Concessionaire is materially in compliance with its obligations under this PPP Agreement achieving at least 70% marks/score in KPIs in 35 years of the total 46 years, and is not otherwise facing a default therein. In case of positive assessment, within ten (10) days of receiving the request for extension, the Independent Auditor and Independent Engineer shall recommend the Implementing Agencies to process the extension of the facility for another term as per the applicable laws, and the Implementing Agencies may extend the license for the Project, subject to the applicable laws and the terms and conditions of this agreement.

3. CONDITIONS

3.1 CONDITIONS PRECEDENT

3.1.1 Save and except as expressly provided herein, the respective obligations of the Parties shall be subject to the satisfaction (waiver and/or deferral, in accordance with the terms herein) in full of the conditions precedent specified in Section 3.1.2 and Section 3.1.3 (the **Conditions Precedent**) on or prior to the Scheduled Commencement Date.

3.1.2 The Concessionaire shall satisfy the following Conditions Precedent to the satisfaction of the Implementing Agency, the Independent Engineer and the Independent Auditor prior to the Scheduled Commencement Date (the **Concessionaire Conditions Precedent**):

(a) the Concessionaire has provided the Development Performance Security to the Implementing Agency that remains effective and valid till the Development Performance Security Expiry Date;

(b) the Concessionaire has provided to the Implementing Agency copies (with copies delivered to the Independent Engineer and Independent Auditor) of its Board Resolution that duly authorizes:

(i) the Concessionaire to enter into this Agreement and to undertake the obligations, liabilities, as set out in this Agreement, and the transactions as contemplated by this Agreement;

(ii) a specified Person or Persons to:

(aa) execute this Agreement on behalf of the Concessionaire; and

(bb) undertake all other acts specifically relating to this Agreement, as contemplated by this Agreement;

(c) the Implementing Agency has received the following legal opinions:

(i) a legal opinion from the legal counsel of the Concessionaire confirming that the Concessionaire has been duly organized and is validly existing under the Applicable Laws and has the requisite power and authority to enter into the Implementing Agency Agreements to which the Concessionaire is a party and to undertake the transactions as contemplated by the Implementing Agency Agreements and to assume the obligations as contained herein and the enforceability of the same against the Concessionaire;

(ii) a legal opinion from the legal counsel of the Sponsor confirming that such Sponsor is validly existing under the applicable laws and that such Sponsor has the requisite authority and power to enter into the Implementing Agency Agreement(s) and the Project Agreement(s) to which such Sponsor is a party and to assume the obligations as contained therein and the enforceability of the same against the Sponsor;

(d) the Concessionaire has entered into the Project Site Lease Agreement with the Implementing Agency for Lease of the Project Site to the Concessionaire in accordance with Article 4 (*Project Site*);

(e) the Concessionaire has provided to the Implementing Agency documents evidencing that:

(i) the Concessionaire entered into a valid and effective Independent Engineer Contract for the appointment of the Independent Engineer with the counterparties to such contract, within one (1) month of the Effective Date; and

(ii) the Concessionaire entered into a valid and effective the Independent Auditor Contract for the appointment of the Independent Auditor with the counterparties to such contract, within one (1) month of the Effective Date;

(f) the Concessionaire has entered into the Escrow Agreement and has established the Escrow Account; and

(g) the Concessionaire has submitted copies of documents evidencing satisfaction of each of the Concessionaire Conditions Precedent to the Independent Engineer and the Independent Auditor.

(h) the Concessionaire has paid a success fee of an amount equal to PKR _____ to the Co-Implementing Agency (the "Success Fee") as stipulated in the RFP;

(i) the Concessionaire has paid a pdf cost of an amount equal to PKR _____ to the the Co-Implementing Agency (the "PDF Cost") as stipulated in the RFP;

(j) As applicable, procured the approval of the Base Case Financial Model with Pre-Estimated Project Cost from the PSC (the Financial Model);

(k) As applicable, procured the approval of the Marketing Plan from the PSC (Marketing of the Project);

(l) As applicable, procured the approval of the Baseline Assessment Report from the PSC (Baseline Assessment Report);

(m) As applicable, procured the approval of the Project Implementation Plan from the PSC (Project Implementation Plan);

3.1.3 The Implementing Agency shall satisfy the following Conditions Precedent to the satisfaction of the Concessionaire, the Independent Auditor and the Independent Engineer prior to the Scheduled Commencement Date (the **Implementing Agency Conditions Precedent**):

(a) the Implementing Agency has Leased the Project Site to the Concessionaire in accordance with Article 4 (*Project Site*) and the Project Site Lease Agreement;

(b) the Implementing Agency has handed over Vacant Possession of the Project Site to the Concessionaire in accordance with Article 4 (*Project Site*) and the Project Site Lease Agreement;

(c) the Implementing Agency has entered into the Independent Engineer Contract for the appointment of the Independent Engineer with the other counterparties to such contract, within one (1) month of the Effective Date;

(d) the Implementing Agency has entered into the Independent Auditor Contract for the appointment of the Independent Auditor with the other counterparties to such contract, within one (1) month of the Effective Date;

(e) the Implementing Agency has entered into the Escrow Agreement;

(f) the Implementing Agency has provided the First Implementing Agency Financial Instrument in accordance with Section 16.7.3;

(g) provided an '*Endorsement Letter*' (to be attached to the '*Project Idea Note*') for the Project to the Concessionaire;

(h) submitted the '*Project Idea Note*' for the Project to the Ministry of Climate Change and Environmental Coordination, Government of Pakistan;

(i) procured the '*Letter of Intent*' in respect of the Project from the Ministry of Climate Change and Environmental Coordination, Government of Pakistan

(j) procured and delivered to the Concessionaire all applicable approvals, consents, no-objection certificates and permits required from any Government Authority (including the Environmental Protection Agency and any Carbon Standard Body) necessary for the commencement of the Project Works; and

(k) the Implementing Agency has submitted copies of documents evidencing satisfaction of each of the Implementing Agency Conditions Precedent to the Independent Engineer and the Independent Auditor.

3.2 WAIVER AND/OR DEFERRAL OF CONDITIONS AND EXTENSION OF SCHEDULED COMMENCEMENT DATE

3.2.1 The:

(a) Implementing Agency may (at its discretion) waive and/or defer any of the Concessionaire Conditions Precedent set forth in Section 3.1.2. For the avoidance of doubt, the Implementing Agency may, at its sole discretion, grant any waiver and/or deferral hereunder with such conditions as it may deem fit;

(b) Concessionaire may (at its discretion) waive and/or defer any of the Implementing Agency Conditions Precedent set forth in Section 3.1.3. For the avoidance of doubt, the Concessionaire may, at its sole discretion, grant any waiver and/or deferral hereunder with such conditions as it may deem fit.

3.2.2 Any deferral and/or waiver of a Conditions Precedent in terms of this Section 3.2 (*Waiver and/or Deferral or Conditions and Extension of Scheduled Commencement Date*) shall be notified in writing to the Independent Engineer and the Independent Auditor by the Party granting such deferral and/or waiver of such condition in accordance with this Agreement.

3.2.3 If, the achievement of the Commencement Date has been delayed due to (which is not otherwise attributable to the Concessionaire or any of its Contractors):

(a) any delay or failure on the part of Implementing Agency in the performance of its obligations under any Project Agreement (to which it is a party);

(b) the occurrence of a Force Majeure Event and/or Relief Event; or

(c) any delay or failure on the part of the Concessionaire in the performance of its obligations under this Agreement, which is attributable to any Implementing Agency failing to fulfil any of its obligations under any executed Project Agreement (to which it is a party),

the Scheduled Commencement Date shall be automatically extended by a period equal to the duration of such delay (plus a reasonable mobilization period), and the Concessionaire shall be entitled to claim any additional costs incurred as a result of such delay.

3.2.4 If the Concessionaire is unable to achieve the Commencement Date by the Scheduled Commencement Date for any reason, the Concessionaire shall be entitled to an extension of the Scheduled Commencement Date for such period as it reasonably requires, upon notice to the Implementing Agency.

3.3 COMMENCEMENT CERTIFICATE & COMMENCEMENT DATE

3.3.1 Each Party shall promptly inform the other Party in writing (together with copies delivered to the Independent Engineer and the Independent Auditor) when the Conditions Precedent for which it is responsible have been satisfied.

3.3.2 The Parties agree that:

(a) within thirty (30) days of the Implementing Agency's receipt from the Concessionaire, through the Independent Engineer and the Independent Auditor, evidence of satisfaction of a Concessionaire Condition Precedent, the Implementing Agency shall notify the Independent Engineer and the Independent Auditor in writing (with a copy to the Concessionaire) whether it has any objections on the satisfaction of such Concessionaire Condition Precedent. In the event the Implementing Agency does not raise any objection in writing on the satisfaction of a Concessionaire Condition Precedent within the thirty (30) day period set out herein, such Concessionaire Condition Precedent shall be deemed to be not objected to by the Implementing Agency. In the event the Implementing Agency raises any objections on the satisfaction of a Concessionaire Condition Precedent and notifies the same to the Independent Engineer and the Independent Auditor (with a copy to the Concessionaire) within the thirty (30) day period set out herein, the

Concessionaire shall address such objections and re-submit to the Independent Engineer and the Independent Auditor (with a copy to Implementing Agency) evidence of satisfaction of such Concessionaire Condition Precedent and the process in this Section 3.4.2(a) shall be repeated until such time that the Implementing Agency has not objected to or is deemed to have not objected to the satisfaction of such Concessionaire Condition Precedent. The provisions of this Section 3.4.2(a) shall apply to each Concessionaire Condition Precedent for which evidence of satisfaction is submitted by the Concessionaire to the Independent Engineer and the Independent Auditor (with a copy to the Implementing Agency) from time to time;

(b) within thirty (30) days of the Concessionaire's receipt from the Implementing Agency, through the Independent Engineer and the Independent Auditor, evidence of satisfaction of a Implementing Agency Condition Precedent, the Concessionaire shall notify the Independent Engineer and the Independent Auditor in writing (with a copy to the Implementing Agency) whether it has any objections on the satisfaction of such Implementing Agency Condition Precedent. In the event the Concessionaire does not raise any objection in writing on the satisfaction of a Implementing Agency Condition Precedent within the thirty (30) day period set out herein, such Implementing Agency Condition Precedent shall be deemed to be not objected to by the Concessionaire. In the event the Concessionaire raises any objections on the satisfaction of a Implementing Agency Condition Precedent and notifies the same to the Independent Engineer and the Independent Auditor (with a copy to Implementing Agency) within the thirty (30) day period set out herein, the Implementing Agency shall address such objections and re-submit to the Independent Engineer and the Independent Auditor (with a copy to the Concessionaire) evidence of satisfaction of such Implementing Agency Condition Precedent and the process in this Section 3.4.2(b) shall be repeated until such time that the Concessionaire has not objected to or is deemed to have not objected to the satisfaction of such Implementing Agency Condition Precedent. The provisions of this Section 3.4.2(b) shall apply to each Implementing Agency Condition Precedent for which evidence of satisfaction is submitted by the Implementing Agency to the Independent Engineer and the Independent Auditor (with a copy to Concessionaire) from time to time.

3.3.3 The Parties hereby jointly undertake to procure that the Independent Engineer and the Independent Auditor jointly issue the Commencement Certificate within three (3) days of the date on which the Independent Engineer and the Independent Auditor are satisfied that each of the:

(a) Concessionaire Conditions Precedent stand satisfied (and/or waived or deferred by the Implementing Agency in accordance with Section 3.3.1(a));

(b) Concessionaire Conditions Precedent are not objected to or deemed not to have been objected to by the Implementing Agency (acting through the Implementing Agency Representative) in accordance with Section 3.4.2(a) and if any Concessionaire Condition Precedent is objected to by the Implementing Agency in accordance with Section 3.4.2(a), the Concessionaire has addressed such objections and re-submitted evidence of satisfaction of such Concessionaire Condition Precedent to the Independent Engineer and the Independent Auditor (with a copy to the Implementing Agency) in accordance with Section 3.4.2(a);

(c) Implementing Agency Conditions Precedent stand satisfied (and/or waived or deferred by the Concessionaire in accordance with Section 3.3.1(b)); and

(d) Implementing Agency Conditions Precedent are not objected to or deemed to not have been objected to by the Concessionaire in accordance with Section 3.4.2(b) and if any Implementing Agency Condition Precedent is objected to by the Concessionaire in accordance with Section 3.4.2(b), the Implementing Agency has addressed such objections and re-submitted evidence of satisfaction of such Implementing Agency Condition Precedent to the Independent Engineer and the Independent Auditor (with a copy to the Concessionaire) in accordance with Section 3.4.2(b).

3.3.4 The Independent Engineer and the Independent Auditor, jointly, shall set out in the Commencement Certificate the date on which the Commencement Date is achieved.

3.4 TERMINATION PRIOR TO COMMENCEMENT DATE

3.4.1 In the event:

(a) the Conditions Precedent are not satisfied, waived and/or deferred on or prior to the date falling ninety (90) days following the Scheduled Commencement Date, (including the extended time, if any) due to reasons attributable to the Concessionaire; and/or

(b) of occurrence of a Concessionaire Event of Default prior to the Commencement Date;

then the Implementing Agency shall have the right to Terminate this Agreement by issuance of a written Termination Notice to the Concessionaire. In such case, the Implementing Agency shall be entitled to encash the Development Performance Security to its full value.

3.4.2 In the event:

(a) the Conditions Precedent are not satisfied, waived and/or deferred on or prior to the date falling ninety (90) days following the Scheduled Commencement Date, (including the extended time, if any) due to reasons attributable to the Implementing Agency and/or a Force Majeure Event; and/or

(b) of occurrence of a Implementing Agency Event of Default prior to Commencement Date,

the Concessionaire shall have the right (to be exercised in its sole discretion) to Terminate this Agreement by issuance of a written Termination Notice to the Implementing Agency. In such case, the Implementing Agency shall (within fifteen (15) days of its receipt of the Termination Notice) return the Development Performance Security, as applicable, to the Concessionaire without any encashment, demands or claims; provided further in case the Concessionaire has incurred any cost for obtaining EIA Approval and such works have been approved by the Independent Engineer, the Implementing Agency shall make payment for the actual cost incurred. Except as may be contemplated in this Agreement, each Party hereto shall have no claims against the other for

costs, damages, compensation or otherwise for such Termination of this Agreement.

3.4.3 It is clarified that the provisions of this Section 3.5 (*Termination Prior to Commencement Date*) shall only apply to any Termination of this Agreement occurring prior to the Commencement Date.

4. PROJECT SITE

4.1 LEASE

4.1.1 Pursuant to the Project Site Lease Agreement, the Implementing Agency agrees to lease the Project Site for the Concession Period to the Concessionaire for the purposes set out herein in the Concession Agreement (the **Lease**) and in accordance with the Project Site Lease Agreement. The Project Site Lease Agreement shall be duly executed by the Parties and, to the extent required by Applicable Laws, registered by the Concessionaire with the relevant Government Authority and all costs, fees, expenses, duties, charges and taxes (including charges relating to the registration of the Project Site Lease Agreement) relating to the same shall be borne by the Concessionaire.

4.1.2 The Concessionaire shall be responsible for payment of all charges in accordance with the Project Site Lease Agreement that relate to the Lease of the Project Site to the Concessionaire by Implementing Agency.

4.1.3 The Lease shall commence on the physical handing over of the Vacant Possession of the Project Site to the Concessionaire by the Implementing Agency and upon commencement shall be co-terminus on the Transfer Date without the need for any action to be taken by the Parties to terminate the Lease. Any extension of the Concession Period shall automatically extend the Lease.

4.1.4 The Implementing Agency shall grant such permission or exemptions as may be required under the Applicable Laws relating to and regulating land, as applicable in the Province of Balochistan, Pakistan, so as to ensure that the Concessionaire can enjoy Vacant Possession and hold the area of land comprising the Project Site.

4.2 TITLE OF PROJECT SITE & DELIVERY OF VACANT POSSESSION

4.2.1 The Implementing Agency represents and warrants that it is the sole legal and beneficial owner of the Project Site and has the power and authority to grant the Lease in respect of the Project Site to the Concessionaire.

4.2.2 The Implementing Agency shall at its own cost and expense, deliver to the Concessionaire, the Vacant Possession of the Project Site (including all Easementary Rights) in accordance with the Project Site Lease Agreement.

4.2.3 The Parties agree and acknowledge that this Section 4.2.3 shall come into effect as of the Effective Date. In the event the Concessionaire is adversely affected and / or delayed in the performance of its obligations and / or there is any adverse financial impact on the Concessionaire, in each case, resulting from any delay and / or failure of the Implementing Agency to deliver Vacant Possession of the Project Site to the Concessionaire in accordance with the Project Site Lease Agreement, such delay and / or failure of the Implementing Agency shall entitle the Concessionaire to issuance of a Relief Order Request and in such case, the provisions of Article 15 (*Adverse Carbon Risk Event & Relief Extensions*) shall apply.

4.3 IMPLEMENTING AGENCY'S REPRESENTATIONS REGARDING PROJECT SITE CONDITIONS

4.3.1 The Implementing Agency represents and warrants that the physical and the ambient conditions (including climatic, hydrological, hydro-geological, ecological, environmental, geotechnical, geological, paleontological and archaeological conditions) of the Project Site (the **Project Site Conditions**) are suitable for the Project and the Project Works. The Implementing Agency acknowledges that the Concessionaire has entered into this Agreement relying on the representations of the Implementing Agency regarding the Project Site Conditions, and the Concessionaire shall not be deemed to have:

(a) inspected the Project Site Conditions;

(b) accepted any risk or liability regarding the suitability of the Project Site;

4.3.2 Notwithstanding anything to the contrary, the Implementing Agency shall:

(a) be solely responsible for all costs and delays arising from unforeseen Project Site Conditions; and

(b) indemnify the Concessionaire against all direct Losses sustained by the Concessionaire and/or any third party in consequence of cleaning-up

and otherwise dealing with any potentially hazardous materials being any natural or artificial substance existing on the Project Site prior to the Transfer Date.

4.4 PROTECTION OF PROJECT SITE FROM ENCROACHMENTS

4.4.1 The Implementing Agency shall, on best effort basis, ensure that the Project Site remains free from any and all occupations, thefts, encroachments and Encumbrances (save and except as by the Concessionaire) throughout the Concession Period. In the event of any such occupation, theft, encroachment or Encumbrance (save and except as by the Concessionaire), the Implementing Agency shall assist to immediately remove the same.

4.5 SPECIAL/TEMPORARY RIGHT OF WAY

4.5.1 The Implementing Agency shall, on best effort basis, obtain any special or temporary right of way that is not included in the Scope of the Project and description of Project Site and the Concession Assets, which is required by the Concessionaire in connection with access to the Project Site and may provide such rights of way to the Concessionaire within fifteen (15) days of a request.

4.6 GEOLOGICAL AND ARCHAEOLOGICAL FINDS

4.6.1 It is expressly agreed between the Parties that mining, geological or archaeological rights do not form part of the Lease to be granted to the Concessionaire in terms of the Project Site Lease Agreement and the Concessionaire hereby acknowledges and agrees that it shall not have any mining rights or interest in the underlying minerals, fossils, antiquities, structures or other remnants or things either of particular geological or archaeological interest and that all such rights, interest and property on or under the Project Site shall vest in and belong to the Implementing Agency or the relevant concerned Government Authority.

4.6.2 The Implementing Agency shall procure all no-objection certificates and consents from the Culture, Tourism and Archives Department, Government of Balochistan that may be required by the Concessionaire under the Applicable Laws, in respect of any potential geological and archeological finds on the

Project Site, prior to commencement of the Project Works. Furthermore, the Concessionaire shall take all reasonable precautions to prevent its employees, workmen, agents, representatives and/ or any other persons appointed by the Concessionaire from having access to the Project Site, including the Contractors, from removing or damaging such interest or property (as set out in Section 4.7.1) and shall inform the Implementing Agency forthwith of the discovery thereof and comply with such instructions as the Implementing Agency and/or the concerned Government Authority may issue in relation to the protection and/or removal of such property; provided that the Concessionaire shall not be responsible for any delay or suspension of Project Works resulting from the discovery of such items. In the event any expenses are incurred by the Concessionaire in fulfilling its obligations as set out in this Section 4.7.2 as a result of the geological and/or archaeological finds being on the Project Site, such event shall constitute a Relief Event entitling the Concessionaire to: (a) an extension of the Time for Completion in accordance with Article 14 (*Adverse Carbon Risk Event & Relief Extensions*). Further, in the event the Concessionaire is delayed in performance of its obligations under this Agreement due to the occurrence of the circumstances set out in this Section 4.7 (*Geological and Archeological Finds*), the Concessionaire shall be granted extensions in the timeline in which it has to perform its obligations under this Agreement (provided that such extensions are duly certified by the Independent Engineer) and in such case the provisions of Article 15 (*Adverse Carbon Risk Event & Relief Extensions*) shall apply.

4.7 EXISTING UTILITIES AND ROADS

4.7.1 The Implementing Agency shall, on best effort basis: (a) ensure that all existing roads, rights of way, or utilities on, under, or above the Project Site are maintained, diverted, or relocated as necessary to ensure the uninterrupted performance of the Project Works; (b) identify, locate, and supervise the relocation of any such existing utilities or roads in accordance with the Project requirements; and (c) initiate and conduct all legal proceedings and acquire any necessary rights of way for such diversions or relocations. The Implementing Agency shall indemnify and hold the Concessionaire harmless from and against any delay, cost, loss, or damage resulting from the existence, relocation, or diversion of such utilities or roads.

4.8 NEW UTILITIES AND ROADS

4.8.1 The Concessionaire shall, at its sole discretion, allow utility companies, access to, and use of the Project Site for laying telephone lines, water pipes, electric cables or other public utilities; provided, that any damage caused to the Concession Assets by such access to, and use of the Project Site for laying telephone lines, water pipes, electric cables or other public utilities shall be restored forthwith by the Concessionaire at its own cost.

4.8.2 The affected part of the Concession Assets (or any part thereof) (the **Utilities Affected Assets**) shall be restored in accordance with the Applicable Standards and Good Industry Practice by the Implementing Agency and the costs relating to the same shall be borne by the Concessioniare.

4.8.3 The Concessionaire shall have the right to charge fees from the utility company or any other entity for allowing the passage of the telephone lines, water pipes, electric cables or other public utilities over or under the Project Site and such fee shall be treated as revenue for the Concessionaire (the **Utility Proceeds**).

4.9 IMPLEMENTING AGENCY INDEMNITIES IN RESPECT OF PROJECT SITE

4.9.1 The Implementing Agency shall indemnify and shall hold the Concessionaire harmless from any costs, claims expenses or charges incurred (in respect of the time period falling prior to delivery of Vacant Possession of Project Site to the Concessionaire) in relocating, rehabilitating or resettling persons in connection with making available the Project Site to the Concessionaire for implementation of the Project and for delivery of Vacant Possession of the Project Site to the Concessionaire.

4.9.2 The Implementing Agency hereby indemnifies and holds harmless the Concessionaire against all losses arising in connection with or relating to any defect in title in the Concessionaire's Leased interest in the Project Site, which prevents, impedes or delays the Concessionaire from constructing or, Operating and Maintaining the Concession Assets in accordance with this Agreement; provided, that such Losses are not the consequence of any breach or non-compliance by the Concessionaire of this Agreement, the Project Site Lease Agreement and the Applicable Standards.

4.10 REMOVAL OF MATERIAL ADVERSE IMPEDIMENT

4.10.1 Following delivery of the Vacant Possession of the Project Site to the Concessionaire by Implementing Agency, the Concessioniare shall be responsible for removal of all impediments, debris (including any structures not in anyone's possession) on the Project Site, whether physical or legal, to the development and, Operation and Maintenance of the Concession Assets; provided, however, that the Concessionaire shall Notify the Implementing Agency, within ten (10) days of any impediment (the **Material Adverse Impediment**) on the Project Site, whether physical or legal, to the development and/or, Operation and Maintenance of the Concession Assets which:

(a) causes a Material Adverse Effect;

(b) is not attributable to the Concessionaire;

(c) in the opinion of the Independent Engineer, could not have been identified or foreseen through any investigations of the Project Site Conditions carried out, or deemed to be carried out, by the Concessionaire, in terms of Section 4.3; and

(d) does not result from any non-compliance by the Sponsor and/or the Concessionaire under any Implementing Agency Agreements.

4.11 SITE SECURITY AND LAW & ORDER

4.11.1 The Implementing Agency shall, on best effort basis, be responsible for the "*outer security cordon*" which shall include: (i) deployment of adequate personnel from the balochistan levies, Police, or Frontier Corps (as required by the threat assessment) to secure the perimeter of the Project Site and the access routes; (ii) ensuring the Project Site is free from tribal disputes, feudal conflicts and local law and order disruptions; and (iii) managing community relations to prevent hostile actions against the Project (the **Outer Security Cordon)**.

4.11.2 In the event of a Security Event, the Concessionaire shall have the right to: (a) immediately Suspend the Project Works (or any part thereof) to ensure the safety of its personnel; and (b) evacuate its personnel from the Project Site without such evacuation constituting Abandonment.

5. INDEPENDENT ENGINEER

5.1 SELECTION

5.1.1 Within thirty (30) days from the Effective Date, the Concessionaire shall select a reputable firm of engineers to be appointed as the Independent Engineer and shall Notify the Implementing Agency of such selection.

5.1.2 The Implementing Agency shall be entitled to object to the selection of the Independent Engineer by the Concessionaire only if the proposed Independent Engineer: (a) is a national of a country that is proscribed by the Applicable Laws of Pakistan; or (b) has been blacklisted by a Government Authority.

5.1.3 In the event the Implementing Agency does not raise an objection in accordance with Section 5.1.2 within ten (10) days of the Notification of selection by the Concessionaire, the Independent Engineer selected by the Concessionaire shall be deemed to have been approved by the Implementing Agency.

5.1.4 In the event the Implementing Agency raises a valid objection in accordance with Section 5.1.2, the Concessionaire shall select another firm of engineers and the provisions of this Section 5.1 shall apply mutatis mutandis.

5.1.5 The Independent Engineer Contract shall be executed as a Conditions Precedent within sixty (60) days from the Effective Date.

5.2 TERM OF APPOINTMENT OF THE INDEPENDENT ENGINEER

5.2.1 The appointment of the Independent Engineer shall be for an initial term of ten (10) years from the date of the effectiveness of the Independent Engineer Contract (the **Independent Engineer Appointment Term**); provided, however, that:

(a) the Independent Engineer Appointment Term shall be extended to such other period as determined by the Concessionaire; or

(b) the Concessionaire shall be entitled to appoint a new Independent Engineer prior to the expiry of the Independent Engineer Appointment Term (such appointment to be effective upon expiry of the Independent

Engineer Appointment Term) so as to ensure that at all times during the Concession Period an Independent Engineer is retained/appointed for the purposes set out in this Agreement. In the event of the appointment of a new Independent Engineer upon expiry of the Independent Engineer Appointment Term, the provisions of Section 5.2.3 shall apply.

5.2.2 The appointment of the Independent Engineer may be terminated:

(a) by either Party if, the Independent Engineer is adjudged insolvent and/or bankrupt and / or the winding up proceedings are filed against the Independent Engineer and/or the Independent Engineer files winding up proceedings in a court of law; or

(b) by the Parties with the mutual consent of the Parties.

5.2.3 Upon the occurrence of any of the events listed in Section 5.2.2, the Concessionaire shall select and appoint a replacement Independent Engineer in accordance with the procedure set out in Section 5.1 (*Selection and Appointment*) mutatis mutandis; provided, however, that the termination and/or replacement of the Independent Engineer shall not have effect till such time as the replacement Independent Engineer has been appointed. The provisions of this Article 5 (*Independent Engineer*) shall apply to any new Independent Engineer (including appointment and replacement of the same) appointed in accordance with the terms herein.

5.2.4 The term of appointment of the replacement Independent Engineer shall be the unexpired period of the Independent Engineer Appointment Term or such other term as may be determined by the Concessionaire.

5.2.5 The Concessionaire shall ensure that all provisions of this Agreement pertaining to the Independent Engineer and its responsibilities in respect of the matters set out herein are duly incorporated in the Independent Engineer Contract.

5.3 INDEPENDENT ENGINEER AUTHORIZED SIGNATORIES

5.3.1 The Parties shall require the Independent Engineer to designate and notify to the Implementing Agency and the Concessionaire of the authorized representatives of the Independent Engineer that shall be authorized by the

Independent Engineer to sign for and on behalf of the Independent Engineer, and any communication or document required to be signed by the Independent Engineer shall be valid and effective only if signed by such authorized signatories on behalf of the Independent Engineer; provided, that the Independent Engineer may, by notice in writing to the Parties, substitute any of the authorized signatories.

5.4 DECISION OF INDEPENDENT ENGINEER & DISPUTE RESOLUTION

5.4.1 In the event any Dispute arises between the Implementing Agency and the Concessionaire with regard to any advice, instruction, decision, direction and/or award of the Independent Engineer, then such Dispute shall be resolved in accordance with the Dispute Resolution Procedure.

5.5 INDEPENDENT ENGINEER REMUNERATION

5.5.1 The Concessionaire undertakes to affect the Independent Engineer Payments in a diligent and timely manner and in accordance with the Independent Engineer Contract.

5.6 INDEPENDENT ENGINEER PAYMENT ACCOUNT

5.6.1 The Concessionaire shall establish and maintain the Independent Engineer Payment Account from the Commencement Date and until the Trigger Date.

6. INDEPENDENT AUDITOR

6.1 SELECTION

6.1.1 The Concessionaire shall select a reputable firm of chartered accountants to be appointed as the Independent Auditor and shall Notify the Implementing Agency of such selection.

6.1.2 The Implementing Agency shall, forthwith upon receipt of the Notification of selection by the Concessionaire (and in any event within five (5) days thereof), enter into and execute the Independent Auditor Contract with the firm selected by the Concessionaire.

6.1.3 The Independent Auditor shall provide the services set out in the Independent Auditor Contract and as requested by the Parties with mutual consent from time to time. Unless mutually agreed otherwise between the Parties, the Independent Auditor Contract shall be in accordance with the Indicative Independent Auditor Terms of Reference.

6.2 TERM OF APPOINTMENT OF THE INDEPENDENT AUDITOR

6.2.1 The appointment of the Independent Auditor shall be for an initial term of ten (10) years from the date of the effectiveness of the Independent Auditor Contract (the **Independent Auditor Appointment Term**); provided, however, that:

(a) the Independent Auditor Appointment Term shall be extended prior to expiry of the same or such other period as determined by the Concessionaire; or

(b) the Parties shall be entitled to appoint a new Independent Auditor prior to the expiry of the Independent Auditor Appointment Term (such appointment to be effective upon expiry of the Independent Auditor Appointment Term) so as to ensure that at all times during the Concession Period an Independent Auditor is retained/appointed for the purposes set out in this Agreement. In the event of the appointment of a new Independent Auditor upon expiry of the Independent Auditor Appointment Term, the provisions of Section 6.2.3 shall apply.

6.2.2 The appointment of the Independent Auditor may be terminated:

(a) by either Party if the Independent Auditor is adjudged insolvent and/or bankrupt and/or winding up proceedings are filed against the Independent Auditor and/or the Independent Auditor files winding up proceedings in a court of law;

(b) by the Parties with the mutual consent of the Parties.

6.2.3 Upon the occurrence of any of the events listed in Section 6.2.2, the Parties shall have the right to terminate the Independent Auditor Contract in accordance with the terms of the same or and/or in the event of expiry of the Independent Auditor Appointment Term, the Parties shall appoint a new Independent Auditor in accordance with this Section 6.2.3. In the afore-stated circumstances, the Concessioanire shall replace the appointed Independent Auditor with another firm of chartered accountants selected by the Implementing Agency from the First IA List provided by the Concessionaire pursuant to Section 6.1.1 above; provided, however, that the termination and/or replacement of the Independent Auditor shall not have effect till such time as the replacement Independent Auditor has been appointed. In the event the Implementing Agency objects to the appointment of any firm of chartered accountants named in the First IA List, then the the Concessionaire shall select and appoint a replacement Independent Auditor in accordance with the procedure set out in Section 6.1 (Selection and Appointment) mutatis mutandis. The provisions of this Article 6 (*Independent Auditor*) shall apply to any new Independent Auditor (including appointment and replacement of the same) appointed in accordance with the terms herein.

6.2.4 The term of appointment of the replacement Independent Auditor shall be the unexpired period of the Independent Auditor Appointment Term or such other term as determined by the Concessionaire.

6.2.5 The Concessionaire shall ensure that all provisions of this Agreement pertaining to the Independent Auditor and its responsibilities in respect of the matters set out herein are duly incorporated in the Independent Auditor Contract.

6.3 INDEPENDENT AUDITOR AUTHORIZED SIGNATORIES

6.3.1 The Parties shall require the Independent Auditor to designate and notify to the Implementing Agency and the Concessionaire of the authorized representatives of the Independent Auditor that shall be authorized by the Independent Auditor to sign for and on behalf of the Independent Auditor, and any communication or document required to be signed by the Independent Auditor shall be valid and effective only if signed by such authorized signatories on behalf of the Independent Auditor; provided, that the Independent Auditor may, by notice in writing to the Parties, substitute any of the authorized signatories.

6.4 DECISION OF INDEPENDENT AUDITOR & DISPUTE RESOLUTION

6.4.1 In the event any Dispute arises between the Implementing Agency and the Concessionaire with regard to any advice, instruction, decision, direction and / or award of the Independent Auditor, then such Dispute shall be resolved in accordance with the Dispute Resolution Procedure.

6.5 INDEPENDENT AUDITOR REMUNERATION

6.5.1 The Concessionaire undertakes to affect the Independent Auditor Payments in a diligent and timely manner and in accordance with the Independent Auditor Contract.

6.6 INDEPENDENT AUDITOR PAYMENT ACCOUNT

6.6.1 The Concessionaire shall establish and maintain the Independent Auditor Payment Account from the Commencement Date and until the Trigger Date.

7. CONCESSIONAIRE'S REPRESENTATIONS, WARRANTIES AND CERTAIN OBLIGATIONS & UNDERTAKINGS

7.1 CONCESSIONAIRE REPRESENTATIONS & WARRANTIES

7.1.1 The Concessionaire hereby represents and warrants to the Implementing Agency that:

(a) it is duly organized and validly existing under the Applicable Laws, and that it has full power and authority to execute and perform its obligations under this Agreement and to carry out the transactions contemplated hereby;

(b) it has taken all necessary corporate and other actions under the Applicable Laws to:

(i) authorize the execution, delivery and performance of this Agreement; and

(ii) validly exercise its rights and perform its obligations under this Agreement;

(c) this Agreement and all obligations contained herein constitute its legal, valid and binding obligations, enforceable against it in accordance with the terms hereof;

(d) it has the financial standing and capability to undertake and implement the Project in accordance with the Applicable Standards and neither the Concessionaire nor the Sponsors have committed a breach in respect of their payment obligations in relation to any financial indebtedness;

(e) the execution, delivery and performance of this Agreement does not and shall not conflict with, result in the breach of, constitute a default under, or accelerate performance required by any of the terms of its memorandum and articles of association or any of its constitutive and corporate charters, filings with Government Authorities, documents, or any Applicable Laws or any covenant, contract, agreement,

arrangement, understanding, decree or order to which it is a party or by which it or any of its properties or assets is bound or affected;

(f) there are no actions, suits, proceedings, or investigations pending or, to its knowledge, threatened against it under the Applicable Laws before any court or before any other judicial, quasi-judicial or other authority, the outcome of which may result in the breach of this Agreement or which individually or in the aggregate may result in any material impairment of its ability to perform any of its obligations under this Agreement;

(g) it has no knowledge of any violation or default with respect to any order, writ, injunction or decree of any court or any legally binding order of any Government Authority which may result in any Material Adverse Effect on its ability to perform its obligations under this Agreement and no fact or circumstance exists which may give rise to such proceedings that would have a Material Adverse Effect on the performance of its obligations under this Agreement;

(h) it has complied with Applicable Laws in all material respects and has not been subject to any fines, penalties, injunctive relief or any other civil or criminal liabilities which in the aggregate have or may have a Material Adverse Effect on its ability to perform its obligations under this Agreement;

(i) no representation or warranty made by the Concessionaire and contained herein or in any other document furnished by it to the Implementing Agency or to any Government Authority contains any untrue or misleading statement of material fact or omits or shall omit to state a material fact necessary to make such representation or warranty misleading;

7.1.2 In the event that any occurrence or circumstance comes to the attention of either Party that renders any of its aforesaid representations or warranties untrue or incorrect, such Party shall immediately Notify the other Party of the same.

7.2 CONCESSIONAIRE'S GENERAL UNDERTAKINGS

7.2.1 The Concessionaire hereby undertakes that it shall, at its own cost and expense:

(a) comply with and perform all duties, obligations, acts, deeds and obligations set out in, in each case, the Applicable Standards;

(b) continuously and diligently undertake, perform and complete all Project Works and Concession Assets in accordance with the Applicable Standards and within the Time for Completion;

(c) ensure that all Project Works and Concession Assets comply with the Applicable Standards;

(d) investigate, study, finance, develop, Operate and Maintain the Concession Assets in accordance with the Applicable Standards;

(e) achieve:

(i) Substantial Completion on or prior to the Scheduled Substantial Completion Date; and

(ii) Project Development Completion on or prior to the Scheduled Development Completion Date;

(f) be in compliance with and perform all its obligations in accordance with, in each case, the Applicable Laws;

(g) make its own arrangements for materials (including development materials), parts, components, supplies, tools, machinery etc. for performance of the Project Works;

(h) not engage in any business or activity other than the business or related to, and conducted for, the purpose of the Project and/or other than as provided in this Agreement;

(i) maintain its corporate existence and its rights to carry on operations of its business;

(j) provide all necessary assistance to the Implementing Agency Representative, as the Implementing Agency Representative may reasonably require for the performance of its duties and services;

(k) make all payments to the Implementing Agency of the amounts due and payable by the Concessionaire in accordance with the terms of this Agreement and the Implementing Agency Agreements;

(l) coordinate and manage all the Project Works and be responsible for the coordination and general management of the Project Works;

(m) ensure the safety of the Concession Assets in accordance with the Safety Requirements; and

(n) maintain the Project Site and the Concession Assets in good condition.

7.3 CONCESSIONAIRE ENGAGED PERSONS

7.3.1 The Concessionaire shall, commencing from the Effective Date, have requisite organization and designate and appoint suitable officers/ representatives as it may deem appropriate to implement and supervise the Project, to deal with the Independent Engineer/Independent Auditor/the Implementing Agency and to be responsible for all necessary exchange of information required pursuant to the Applicable Standards.

7.4 CONCESSIONAIRE AUTHORIZED REPRESENTATIVE

7.4.1 Within forty (40) days following the Effective Date, the Concessionaire shall appoint, with the prior Notification to the Implementing Agency, the Independent Engineer and the Independent Auditor, in accordance with Section 5 *(Independent Engineer)* and Section 6 *(Independent Auditor)* and all Applicable Laws; its representative duly authorized to deal with the Implementing Agency in respect of all matters under or arising out of or relating to this Agreement (the **Concessionaire Authorized Representative**).

7.4.2 The Concessionaire shall:

(a) ensure that the Concessionaire Authorized Representative perform their respective obligations in the same manner as the Concessionaire is required to perform its obligations under this Agreement; and

(b) prior to any substitution of the Concessionaire Authorized Representative, the Concessionaire shall submit the details of the same to the Implementing Agency in writing (with copies to the Independent Engineer and the Independent Auditor) and shall provide any other information reasonably requested by the Implementing Agency in respect of the same.

7.4.3 The Concessionaire shall substitute the Concessionaire Authorized Representative upon prior written notice to the Implementing Agency.

7.5 THE DEVELOPMENT CONTRACTOR & THE O&M CONTRACTOR

7.5.1 The Concessionaire hereby undertakes that it shall:

(a) ensure that the assets created and/or constructed forming part of the Concession Assets pursuant to the Development Contract and the O&M Contract (if applicable) vest in Implementing Agency on the Transfer Date; and

(b) ensure that the Development Contractor or the O&M Contractor (if applicable) perform their respective obligations in the same manner that the Concessionaire is required to perform its obligations under this Agreement.

7.5.2 Any substitution and/or replacement of the Development Contractor or the O&M Contractor (if applicable) of the Project shall be notified in writing to the Implementing Agency.

7.5.3 The Concessionaire shall deliver certified (as being true and correct) copies of the executed Development Contract(s) and O&M Contract(s) (if applicable) to the Implementing Agency, the Independent Engineer and the Independent Auditor within seven (7) days of execution of the same.

7.6 TAXES AND SUBSIDIES

7.6.1 All payments in respect of the rates, taxes (as applicable), charges, levies, assessments or equivalent taxes levied on it; provided, however, that: (a) all such payments shall be deemed "*Expenditures*" and funded in priority from the Revenue Accounts in accordance with Article 10 (*Funding Requirements & Shareholding Matters*) and Article 16 (*Revenue Sharing and Revenue Account*); and (b) any increase in such rates, taxes, charges, levies or assessments (or the introduction of any new tax) following the Bid Submission Date shall constitute a Change in Law (Local) entitling the Concessionaire to relief and compensation.

7.6.2 The Concessionaire may raise any objections in terms of any charges levied on it by any Government Authority; provided, that such objections shall be filed and pursued at the cost of the Project (and such costs shall be treated as Expenditures) and the Concessionaire shall be entitled to any benefit accruing as a result of the Concessionaire's successful objection.

7.6.3 The Implementing Agency shall provide all reasonable support and assistance to the Concessionaire in obtaining any applicable tax exemptions, tax holidays, rebates, or fiscal incentives available under Applicable Laws.

7.7 PROTECTION OF THE ENVIRONMENT

7.7.1 The Concessionaire shall materially comply with all Applicable Standards pertaining to protection of the environment in its arrangements, execution of Project Works, procurement, development and operations on Project Site. The Concessionaire shall take all reasonable steps to protect the environment (both on and off the Project Site).

7.8 ACCOUNTS AND REPORTS

7.8.1 The Concessionaire shall maintain records accounting for all transactions relating to any Relief Order, extensions of Time for Completion, Change of Scope, minutes of board meetings and shareholder meetings and other records.

7.8.2 The Concessionaire shall, on a biannual basis, furnish to the Implementing Agency for its information only, during the Development Period, the Development Bi-annual Report.

7.8.3 The Concessionaire shall Notify the Implementing Agency of any material amendment to its Corporate Documents within thirty (30) days after such amendment becomes effective.

7.9 NO RELIEF FROM LIABILITY

7.9.1 With respect to any review, non-objection, approval, instruction or direction given by the Implementing Agency, the Independent Engineer or the Independent Auditor as required in this Agreement, the Concessionaire shall have no liability for any defect, loss, damage or non-compliance in the Project Works to the extent such defect, loss, damage or non-compliance results from the Concessionaire's adherence to such specific written instruction, direction, approval or consent.

8. IMPLEMENTING AGENCY REPRESENTATIONS, WARRANTIES AND CERTAIN OBLIGATIONS &UNDERTAKINGS

8.1 IMPLEMENTING AGENCY REPRESENTATIONS & WARRANTIES

8.1.1 The Implementing Agency hereby represents and warrants to the Concessionaire that:

(a) it has taken all necessary actions under Applicable Laws and obtained all necessary approvals, consents, and authorizations (including from the Government of Balochistan and any other Government Authority) to:

(i) authorize the execution, delivery and performance of this Agreement; and

(ii) validly exercise its rights and perform its obligations under this Agreement;

(b) this Agreement and all obligations contained herein constitutes its legal, valid and binding obligations, enforceable against it in accordance with the terms hereof and it has not entered into any other agreement or arrangement which would restrict or impede the performance of its obligations hereunder;

(c) the execution, delivery and performance of this Agreement shall not conflict with, result in the breach of, constitute a default under, or accelerate performance required by any of Applicable Laws or any covenant, contract, agreement, arrangement, understanding, decree or order to which it is a party or by which it or any of its properties or assets are bound or affected;

(d) there are no actions, suits, proceedings, or investigations pending or, to its knowledge, threatened against it under the Applicable Laws before any court or before any other judicial, quasi-judicial or other authority which could restrict or prohibit the execution or performance of this Agreement or the Project Site Lease Agreement;

(e) it has no knowledge of any violation or default with respect to any order, writ, injunction or decree of any court or any legally binding order of any Government Authority which may result in any Material Adverse Effect on its ability to perform its obligations under this Agreement and no fact or circumstance exists which may give rise to such proceedings that would adversely affect the performance of its material obligations under this Agreement; and

(f) it has complied with Applicable Laws in all material respects and has not been subject to any fines, penalties, injunctive relief or any other civil liabilities which in the aggregate have or may have a Material Adverse Effect;

(g) it has good, valid, sole and absolute legal and beneficial right and title to the Project Site (and any additional land required for the Project), free and clear of all Encumbrances (save and except as by the Concessionaire), claims, disputes, and third-party rights, and has the full power and absolute authority to convey Vacant Possession thereof to the Concessionaire in accordance with the terms of this Agreement and the Project Site Lease Agreement;

(h) the Project Site is not subject to any compulsory acquisition, requisition, or expropriation proceedings, nor has any notice been issued in respect thereof;

(i) it has not transferred, assigned, pledged, sold or otherwise encumbered any Carbon Credits, carbon rights, or atmospheric rights associated with the Project Site to any third party or allocated such rights towards Pakistan's NDCs in a manner that would prevent the Concessionaire from generating and selling Carbon Credits as contemplated hereunder;

(j) to the best of its knowledge, the Project Site is free from any Hazardous Substances, environmental contamination, or pollution which could materially affect the Project Works or result in any liability for the Concessionaire; and

(k) it waives any right of sovereign immunity in respect of its obligations under this Agreement and agrees that the execution and performance of this Agreement constitute private and commercial acts.

8.1.2 In the event that any occurrence or circumstance comes to the attention of either Party that renders any of its aforesaid representations or warranties untrue or incorrect, such Party shall immediately notify the other Party of the same. Such notification shall not have the effect of remedying any breach of the representation or warranty that has been found to be untrue or incorrect nor shall it adversely affect or waive any right, remedy or obligation of either Party under this Agreement or any Implementing Agency Agreement. Any breach of the representations and warranties set out in Section 8.1.1 shall constitute an Implementing Agency Event of Default, entitling the Concessionaire to Terminate this Agreement and receive the Termination Payment applicable to an Implementing Agency Event of Default.

8.2 GENERAL UNDERTAKINGS

8.2.1 The Implementing Agency hereby undertakes to the Concessionaire that it shall:

(a) ensure quiet enjoyment and peaceful use of the Project Site by the Concessionaire without any let, interruption, disturbance or hindrance from the Implementing Agency, any person tribe, community or Government Authority claiming through or under them or otherwise;

(b) procure (on best effort basis) police assistance for the Project and provide all necessary assistance to the Concessionaire in procuring police assistance for removal of trespassers, removal of encroachments and maintenance of security on and/or in respect of the Project (including maintaining the Outer Security Cordon in accordance with Section 4.13);

(c) on best effort basis, ensure the availability of adequate skilled and unskilled labor within the Project and facilitating the Concessionaire in the recruitment and retention of such labor, including resolving any local community or tribal disputes regarding employment and indemnifying the Concessionaire against any labor unrest, strikes (other than those

solely by the Concessionaire's own employees), or unavailability of labor resulting from local community issues or actions by the Government Authority;

(d) provide police support at and/or near the Project Site sufficient to ensure the safety and security of the Concessionaire's personnel and assets; and

(e) support, cooperate with and facilitate the Concessionaire in the implementation of the Project in accordance with the provisions of the Implementing Agency Agreements including: (i) facilitating the grant of visas, work permits and security clearances for foreign personnel engaged by the Concessionaire; and (ii) granting (and procuring that relevant Government Authorities grant) all necessary no-objection certificates, waivers and approvals required for the sale, transfer and export of Carbon Credits to any Customer (whether domestic or international) selected by the Concessionaire.

8.3 IMPLEMENTING AGENCY PERMITS

8.3.1 The Implementing Agency shall, at its sole cost, risk, and expense, procure, obtain, maintain and renew all Implementing Agency Permits required for the implementation of the Project, the performance of the Project Works, and the exercise of the Concessionaire's rights under this Agreement.

8.3.2 The Implementing Agency shall ensure that: (a) all Implementing Agency Permits required for the commencement works and Development Works are obtained and delivered to the Concessionaire in valid and effective form on or prior to the Commencement Date; and (b) all Implementing Agency Permits required for the Operation and Maintenance and the sale/export of Carbon Credits are obtained and delivered to the Concessionaire in valid and effective form no later than thirty (30) days prior to the Scheduled Substantial Completion Date.

8.3.3 In the event of any delay in the issuance, renewal or effectiveness of any Implementing Agency Permit (or if any Implementing Agency Permit is revoked, suspended or made subject to conditions that materially impair the Concessionaire's ability to perform its obligations): (a) such event shall be deemed a Political Event entitling the Concessionaire to relief (including

extension of time) and compensation (including Force Majeure Costs) in accordance with Article 14 (*Adverse Carbon Risk Event & Relief Extensions*) and Article 20 (*Force Majeure*); and (b) the Concessionaire shall be excused from the performance of any obligation under this Agreement to the extent such performance is prevented or impeded by such delay or failure.

8.3.4 The Implementing Agency shall indemnify, defend and hold harmless the Concessionaire from and against any and all Claims, penalties, fines, liabilities, losses (including loss of revenue and profit) and expenses incurred by the Concessionaire resulting from: (a) the failure of the Implementing Agency to obtain, maintain or renew any Implementing Agency Permit; or (b) any non-compliance with the terms of any Implementing Agency Permit.

8.4 IMPLEMENTING AGENCY REPRESENTATIVE

8.4.1 Unless already appointed prior to the Effective Date, the Implementing Agency shall, within seven (7) days following the Effective Date, appoint its representative duly authorized to deal on its behalf to facilitate on all matters under or arising out of or relating to the Implementing Agency Agreements (the **Implementing Agency Representative**). The Implementing Agency may, by notice in writing to the Concessionaire, substitute the Implementing Agency Representative at its discretion at any time.

8.4.2 The function of the Implementing Agency Representative shall be clarify and resolve with the Concessionaire Authorized Representative, the Independent Engineer, the Independent Auditor any difficulties and disputes arising pursuant to this Agreement and manage any complaints by or against third parties.

8.5 [NOT USED]

(a) [not used]

8.6 IMPLEMENTING AGENCY PERMITS

8.6.1 The Implementing Agency shall make or cause to be made, in a timely fashion, all applications (whether initial or renewal applications) for the Implementing Agency Permits in the prescribed form and with the prescribed fee ot b eborne by the Concessioniare (in each case, in accordance with the Applicable Laws) to

the appropriate Government Authority and shall diligently pursue all such applications. The information supplied in the applications shall be complete and accurate and shall satisfy the substantive and procedural requirements of the Applicable Laws applied in a "*non-discriminatory*" manner.

8.6.2 The Implementing Agency shall make or cause to be made, at least monthly prior to the Development Completion Date, and at least quarterly thereafter, reports listing its schedule for submitting Implementing Agency Permits application forms or renewal application forms, the status of any Implementing Agency Permit applications then outstanding, notifications of the granting or denial of any Implementing Agency Permit or Implementing Agency Permit renewal, and notifications of any violations of any Implementing Agency Permit. Each report shall be submitted to the Concessionaire, the Independent Engineer and the Independent Auditor and shall include copies of all applications and notifications discussed in the report which have not been provided with a previous report. The first section of each report shall also summarize any problems regarding any Implementing Agency Permit or Implementing Agency Permit application that may materially affect the Implementing Agency's performance under any Implementing Agency Agreement.

8.7 ACCESS ROUTE & TRANSPORTATION

8.7.1 The Implementing Agency shall be responsible for selection and usage of all transportation means, transportation routes, roads, bridges, highways and routes within, and to and from the Project Site in respect of performance of its Project Works and the Concessionaire shall not be responsible for any claims attributable to Implementing Agency in respect of the same.

9. INDEMNITIES & LIMITATION OF LIABILITY

9.1 GENERAL INDEMNITY

9.1.1 THE CONCESSIONAIRE

The Concessionaire shall indemnify and defend the Implementing Agency against, and hold the Implementing Agency harmless from, at all times after the Effective Date, any and all Losses incurred by the Implementing Agency for personal injury or death to persons by the Concessionaire in connection with this Agreement. Notwithstanding anything to the contrary contained in the preceding sentence, nothing in this Section 9.1.1 shall apply to any Loss in respect of and to the extent of which the Implementing Agency receives proceeds from insurance policies relating to the Project.

9.1.2 THE IMPLEMENTING AGENCY

The Implementing Agency shall indemnify and defend the Concessionaire, for itself and as trustee for its officers, directors and employees (the **Concessionaire Indemnified Persons**), and hold the Concessionaire Indemnified Persons harmless from, at all times after the Effective Date, any and all Loss incurred, suffered, sustained or required to be paid, directly or indirectly, by, or sought to be imposed upon the Concessionaire Indemnified Persons for personal injury or death to persons or damage to property arising out of any negligent or intentional act or omission by the Implementing Agency in connection with this Agreement. Notwithstanding anything to the contrary contained in the preceding sentence, nothing in this Section 9.1.2 shall apply to any Loss in respect of and to the extent of which the Concessionaire receives proceeds from insurance policies or indemnification from another party relating to the Project.

9.1.3 JOINT NEGLIGENCE

In the event injury or damage results from the joint or concurrent negligent or intentional acts or omissions of the Parties (as determined by the Independent Engineer and the Independent Auditor), each Party shall be liable under this indemnification in proportion to its relative degree of fault, as determined by the Independent Engineer and the Independent Auditor.

9.2 ASSERTION OF CLAIMS TO EXCEED MINIMUM INDEMNIFICATION AMOUNT

9.2.1 Each Party shall be solely liable and shall not be entitled to assert any claim for indemnification under this Agreement, for any Loss that would otherwise be the subject of indemnification under this Agreement, until all Losses of such Party, in the aggregate, during the then-current accounting year or Accounting Year (as the case may be), exceed the Minimum Indemnification Amount. For the purposes of this Section 9.2 (*Assertion of Claims to Exceed Minimum Indemnification Amount*), a Loss (or claim for indemnification) shall be deemed to arise in the accounting year or Accounting Year (as the case may be) in which the event giving rise to such Loss (or claim for indemnification) occurred, or if the event is continuing in more than one (1) accounting year or Accounting Year (as the case may be), in the accounting year or Accounting Year (as the case may be) in which such event ends.

9.3 NOTICE AND CONTEST OF CLAIMS

9.3.1 In the event that either Party receives a claim or demand from a third party in respect of which it is entitled to the benefit of an indemnity under this Article 9 *(Indemnities & Limitation of Liability)* (the **Indemnified Party**) it shall notify the other Party (the **Indemnifying Party**) within twenty-one (21) days of receipt of the claim or demand and shall not settle or pay the claim without the prior approval of the Indemnifying Party, which approval shall not be unreasonably withheld, conditioned or delayed. In the event that the Indemnifying Party wishes to contest or dispute the claim or demand, it may conduct the proceedings in the name of the Indemnified Party, subject to the Indemnified Party being secured against any costs involved, to its reasonable satisfaction.

9.4 DEFENSE OF CLAIMS

9.4.1 Where the Concessionaire is the Indemnifying Party, it shall have the sole right to assume and control the defense of such claim, action, suit or proceeding with counsel of its selection. Where the Implementing Agency is the Indemnifying Party, the Concessionaire shall have the right (but not the obligation) to control the defense of such claim, action, suit or proceeding at the cost and expense of the Implementing Agency.

9.4.2 If the Implementing Agency (as Indemnifying Party) fails to assume the defense of a claim within fifteen (15) days of notice, the Concessionaire may defend, settle or compromise such claim at the Implementing Agency's sole cost and risk.

9.4.3 Where the Implementing Agency is the Indemnifying Party, it shall advance to the Concessionaire all costs and expenses (including legal fees) likely to be incurred by the Concessionaire in connection with the defense of the claim.

9.4.4 Notwithstanding the assumption of defense by the Implementing Agency, the Concessionaire shall have the right to employ its own counsel and the fees and expenses of such counsel shall be borne by the Implementing Agency.

9.5 NO CONSEQUENTIAL CLAIMS

9.5.1 Notwithstanding anything to the contrary contained in this Article 9 (*Indemnities& Limitation of Liability*), the indemnities herein provided shall not include any claim or recovery in respect of any cost, expense, loss or damage of an indirect, incidental or consequential nature, except as expressly provided in this Agreement.

9.6 SURVIVAL ON TERMINATION

9.6.1 The provisions of this Article 9 (*Indemnities & Limitation of Liability*) shall survive Termination for a maximum period of five (5) years following Termination and the provisions of this Article 9 (*Indemnities & Limitation of Liability*) shall apply solely in respect of claims that arose immediately on or prior to the Termination Date.

9.7 LIMITATION OF LIABILITY & INDEMNIFICATION FOR FINES AND PENALTIES

9.7.1 Neither Party shall be liable to the other Party in contract, tort, warranty, strict liability (except as may be expressly provided in any Implementing Agency Agreement), or any other legal theory for any indirect, consequential, incidental, punitive, or exemplary damages; provided, that the Parties hereby agree that the Termination Payment payable under this Agreement are not indirect, consequential, incidental, punitive or exemplary damages. The aggregate liability of the Concessionaire to the Implementing Agency under or in

connection with this Agreement (whether in contract, tort, or otherwise) shall not exceed the amount of the Development Performance Security; provided that such limitation shall not apply to fraud or wilful misconduct. The liability of the Implementing Agency under this Agreement shall be unlimited.

9.7.2 The Implementing Agency shall indemnify the Concessionaire against any fines, penalties or charges imposed by any Government Authority.

10. FUNDING REQUIREMENTS & SHAREHOLDING MATTERS

10.1 FUNDING OF EQUITY

10.1.1 The Concessionaire shall procure funding of the Project Cost in accordance with the terms of this Agreement.

10.1.2 The Concessionaire hereby undertakes to procure that the Sponsors fund the Sponsor Invested Equity from time to time, which may be funded by way of: (a) subscription for shares in cash (in Pakistani Rupees or foreign currency); (b) subscription for shares against consideration other than cash; and/or (c) the provision of Sponsor Loans (subordinated to the Financing) to the Concessionaire.

10.2 SHARES

10.2.1 Upon funding of the Sponsor Invested Equity (or any part thereof) by the Sponsors from time to time, the Concessionaire shall issue the relevant shares (or other equity instruments) to the Sponsors in accordance with the Applicable Laws.

10.2.2 The Concessionaire shall determine its authorized and paid-up share capital structure, including the creation of different classes of shares (e.g., ordinary shares, preference shares) with varying rights, privileges, or restrictions, provided that the Concessionaire shall Notify the Implementing Agency of any such structure.

10.3 CHANGE IN CONTROL AND SHARE TRANSFER

10.3.1 Notwithstanding anything to the contrary contained in this Agreement, the Sponsors shall be entitled to transfer, assign, or dispose of their shares or interest in the Concessionaire: (a) to any Affiliate of the Sponsor (upon prior written notice to the Implementing Agency); or (b) to any other Person, provided that such transfer does not result in the Sponsors (collectively) holding less than fifty-one percent (51%) of the issued share capital of the Concessionaire.

11. DEVELOPMENT PERFORMANCE SECURITY & O&M PERFORMANCE SECURITY

11.1 DEVELOPMENT PERFORMANCE SECURITY

11.1.1 Prior to the Effective Date, the Concessionaire has provided and delivered to the Implementing Agency the Development Performance Security. Development Performance Security has been issued and maintained without any recourse on the Concessionaire, its assets or properties. All costs, expenses, fees and other charges of any nature, in each case, associated with the issuance, maintenance and encashment of the Development Performance Security are solely on account of the Sponsor.

11.1.2 The Development Performance Security came into force and became effective effective in accordance with the terms thereof.

11.1.3 The Development Performance Security shall be encashable only in the event that: (a) a Concessionaire Event of Default has occurred and is continuing; and (b) the Independent Engineer has certified in writing that such Concessionaire Event of Default has resulted in a direct financial loss to the Implementing Agency and quantified such loss; provided that any encashment shall be strictly limited to the amount of loss so certified by the Independent Engineer.

11.1.4 The Concessionaire shall be obligated to maintain and keep valid the Development Performance Security until the date falling one hundred and eighty (180) days following Substantial Completion Date (the **Development Performance Security Expiry Date**), as evidenced by a certificate jointly issued by the Independent Engineer and the Independent Auditor. In the event the Development Performance Security expires prior to the Development Performance Security Expiry Date, the Concessionaire shall extend the validity of the Development Performance Security, at least fifteen (15) business days prior to its expiry, so as to keep it valid and enforceable until the Development Performance Security Expiry Date. In the event of failure by the Concessionaire to keep valid or extend the validity of the Development Performance Security in accordance with this Section 11.1.4, the Implementing Agency shall have the right to encash the Development Performance Security at any time to its full outstanding value.

11.1.5 Upon the issuance of a certificate jointly issued by the Independent Engineer and the Independent Auditor evidencing the occurrence of Development Performance Security Expiry Date, the Development Performance Security shall be null and void and shall be returned to the Concessionaire by the Implementing Agency within ten (10) business days of receipt by the Implementing Agency of the afore-stated certificate.

11.2 O&M PERFORMANCE SECURITY

11.2.1 The Concessionaire hereby undertakes to procure issuance and delivery of the Implementing Agency of the O&M Performance Security from time to time in accordance with this Section 11.2 (*O&M Performance Security*).

11.2.2 The Concessionaire shall deliver the O&M Performance Security to the Implementing Agency at least thirty (30) days prior to the Development Performance Security Expiry Date. Following the Development Performance Security Expiry Date, and until the Trigger Date, the Concessionaire shall replace the O&M Performance Security ten (10) days prior to commencement of each Operational Year. Each O&M Performance Security shall become effective simultaneously upon issuance.

11.2.3 The O&M Performance Security shall be issued and maintained without any recourse on the Concessionaire, its assets or properties. All costs, expenses, fees and other charges of any nature, in each case, associated with the issuance, maintenance and encashment of the O&M Performance Security are solely on account of the Sponsors.

11.2.4 In the event of any encashment of the O&M Performance Security by the Implementing Agency in accordance with Section 11.2.5, the Concessionaire shall have no obligation to restore the amount of the O&M Performance Security until the commencement of the subsequent Operational Year.

11.2.5 The O&M Performance Security shall be encashable only in the event that: (a) a Material Breach of O&M Requirements has occurred and is continuing beyond the applicable cure period; and (b) the Independent Engineer has certified in writing that such breach has resulted in a direct financial loss to the Implementing Agency and quantified such loss; provided that any encashment

shall be strictly limited to the amount of loss so certified by the Independent Engineer.

11.2.6 The O&M Performance Security provided by the Concessionaire in respect of an Operational Year shall remain in force and effect until the date that falls on the expiry of such Operational Year subject to receipt by the Implementing Agency of a fully valid and effective O&M Performance Security for the subsequent Operational Year in accordance with the terms of this Agreement on or prior to such date (the **O&M Performance Security Expiry Date**). In the event an O&M Performance Security is to expire prior to the O&M Performance Security Expiry Date, the Concessionaire shall extend the validity of the O&M Performance Security, at least ten (10) business days prior to its expiry, so as to keep it valid and enforceable until the O&M Performance Security Expiry Date. In the event of failure by the Concessionaire to keep valid or extend the validity of any O&M Performance Security in accordance with this Section 11.2.6, the Implementing Agency shall have the right to encash such O&M Performance Security at any time prior to its expiry to its full outstanding value.

11.2.7 Upon the delivery and commencement of a O&M Performance Security for an Operational Year (the **New O&M Performance Security**) to the Implementing Agency by the Concessionaire in accordance with this Section 11.2 (*O&M Performance Security*) on or prior to the commencement of such Operational Year, the previous O&M Performance Security issued for the previous Operational Year shall be null and void and shall be returned to the Concessionaire by the Implementing Agency simultaneously with the provision of the New O&M Performance Security.

11.2.8 Notwithstanding anything to the contrary, the Concessionaire hereby undertakes and agrees that the O&M Performance Security shall remain valid and shall be returned:

(a) in case of Termination, at least for one (1) month after the Termination Notice has been issued; and

(b) in case of expiry of this Agreement on the Final Expiry Date, one (1) month after the Final Expiry Date.

12. CARBON RELATED MATTERS & DEVELOPMENT WORKS

12.1 SELECTION OF PROJECT CARBON STANDARD

12.1.1 Within fifteen (15) days following the Effective Date, the Concessionaire shall select a Carbon Standard Body (the "**Project Carbon Standard Body**") and the Carbon Standards thereunder (the "**Project Carbon Standard**"), for the Project, and shall Notify the Implementing Agency of such selection.

12.1.2 The Project Carbon Standard selected in accordance with Section 12.1 (*Selection of Project Carbon Standard*) shall be binding on the Concessionaire for the performance of the Project Works.

12.1.3 If, following the Development Completion Date, the Concessionaire seeks to transition the Project to a different Carbon Standard Body and/or Carbon Standard, the Concessionaire shall Notify Implementing Agency of the new Carbon Standard Body and/or the Carbon Standards (as applicable).

12.1.4 The Concessionaire shall ensure that any Carbon Credits previously Issued to the Project are, as applicable:

(a) transferred to the new Carbon Standard Registry; or

(b) cancelled on the previous Project Carbon Standard Registry and reissued on the new Carbon Standard Registry.

12.1.5 All activities required to be undertaken to effectuate the transition contemplated in Sections 12.1.3 and 12.1.4 shall be at the cost, risk, and expense of the Concessionaire.

12.2 CARBON STANDARD DOCUMENTS

12.2.1 Within fifteen (15) days following the selection of the Project Carbon Standard in accordance with Section 12.1 (*Selection of Project Carbon Standard*), the Concessionaire shall submit to Implementing Agency and the Independent Engineer, a list of all documents, plans, and methodologies to be prepared by the Concessionaire over the Concession Period as required under the Project Carbon Standard (the **Carbon Standard Documents**) including a schedule of their submission timelines as mandated by the Project Carbon Standard.

12.2.2 In the event of an inconsistency between a timeline stipulated by the Project Carbon Standard and this Agreement in respect of the Project Works, the more stringent timeline shall prevail for the purposes of this Agreement.

12.2.3 In the event that the Project Carbon Standard Body amends the Project Carbon Standard, which results in a change in the Carbon Standard Documents (including in form or in the timelines for submission), the Concessionaire shall provide a revised list to Implementing Agency and the Independent Engineer as soon as practical. The Concessionaire shall (at its own cost, risk, and expense) be responsible for implementing any such changes.

12.3 BASELINE ASSESSMENT REPORT

12.3.1 Within seventy-five (75) days following the Effective Date, the Concessionaire shall undertake the Baseline Assessments and prepare and submit to the Independent Engineer (with a copy to Implementing Agency) a baseline

assessment report for the Project prepared in compliance with the Project Carbon Standard (the "**Baseline Assessment Report**").

12.4 PROJECT IMPLEMENTATION PLAN

12.4.1 Within thirty (30) days following the selection of the Carbon Standard Body and Carbon Standard in accordance with Section 12.1 (*Selection of Project Carbon Standard*), the Concessionaire shall submit to the Independent Engineer and the Independent Auditor (with a copy to Implementing Agency), a plan prepared, and in compliance with the Applicable Standards (including the Scope of the Project) for performance of the Project Works (the **Project Implementation Plan**), which shall include the progressive milestones relating to the performance of Project Works (including relevant sub-milestones) and the dates for achievement of such milestones/submilestones, in addition to those specified in the Project Implementation Schedule.

12.4.2 The Project Implementation Plan, as may be amended from time to time in accordance with this Agreement, shall be binding on the Concessionaire, including in respect of performance of the Development Works.

12.4.3 If required, the timelines set out under the Project Implementation Plan may be revised and updated at its sole discretion to Concessionaire as reasaonbly required:

(a) at the Development Completion Date; and

(b) following the first main felling in accordance with the Scope of the Project.

12.5 COMMENCEMENT OF DEVELOPMENT WORKS

12.5.1 The Concessionaire shall commence Development Works no later than the Commencement Date and immediately provide evidence to the Independent Engineer, the Independent Auditor and Implementing Agency of the same.

12.5.2 The Concessionaire shall perform the Development Works in accordance with the Applicable Standards.

12.5.3 The Concessionaire may undertake Development Works by itself or through Contractors possessing requisite technical, financial and managerial expertise/capability; provided however, the Concessionaire shall remain solely liable for the Development Works and compliance with the Applicable Standards and the Project Implementation Plan.

12.5.4 The Concessionaire undertakes that the Concessionaire shall be responsible for:

(a) achieving Substantial Completion Date on or prior to the Scheduled Substantial Completion Date; and

(b) achieving Development Completion on or prior to the Scheduled Development Completion Date,

and, in each case above, the said obligation and liability of the Concessionaire shall be reduced, negated, rescinded and/or waived by any delay and/or failure of Implementing Agency, the Independent Engineer to fulfil its obligations as set out in Section 12.4 (*Project Implementation Plan*).

12.6 QUARTERLY PROGRESS REPORTS

12.6.1 During the Development Period, the Concessionaire shall, furnish to the Independent Engineer and Implementing Agency Quarterly reports on the progress of the Development Works (the "**Development Quarterly Progress Report**") and shall promptly give such other relevant information as may be reasonably required by the Independent Engineer and the Independent Auditor and/or Implementing Agency.

12.7 MONITORING PLAN

12.7.1 Within one hundred and twenty (120) days following the Commencement Date, the Concessionaire shall prepare and submit to the Independent Engineer (with a copy to Implementing Agency) a monitoring plan for the Project prepared in accordance with the Scope of the Project, and in compliance with the Project Carbon Standard (the "**Monitoring Plan**").

12.7.2 The Monitoring Plan shall be binding on the Concessionaire, including in respect of performance of the Project Works.

12.7.3 The Concessionaire shall, following the Substantial Completion Date, undertake all monitoring, reporting, and adaptive management activities set out in the Monitoring Plan, including but not limited to carbon stock monitoring, tree growth and forest health monitoring, biodiversity and ecosystem management, protection and risk management, and adaptive management, each in accordance with the Applicable Standards.

12.7.4 Upon completion of the relevant activities in accordance with Section 12.7.3, but no later than at the end of each Operating Year, the Concessionaire shall submit to the Independent Engineer, the Independent Auditor and Implementing Agency a report summarizing the monitoring activities undertaken, key findings, compliance status, and any corrective or adaptive measures implemented to ensure ongoing alignment with the Monitoring Plan, Project Carbon Standard, and Applicable Standards.

12.8 PROJECT DESIGN DOCUMENT

12.8.1 Within one hundred and eighty (180) days following the Commencement Date, the Concessionaire shall prepare and submit to the Independent Engineer and the Independent Auditor (with a copy to Implementing Agency) a project design document for the Project prepared in compliance with the Project Carbon Standard (the "**Project Design Document**").

12.8.2 Within twenty-seven (27) business days of the Independent Engineer and the Independent Auditor's submission of the Project Design Document pursuant to Section 12.8.1, the Concessionaire shall submit the Project Design Document to the Project Carbon Standard Body.

12.8.3 The Project Design Document shall be binding on the Concessionaire, including in respect of performance of the Project Works.

12.8.4 Defects & Deficiencies, errors, omissions, ambiguities, inconsistencies, inadequacies and other defects in the Project Design Document or arising therefrom shall be rectified by the Concessionaire at its sole cost, risk, and expense.

12.8.5 Implementing Agency, the Independent Engineer and the Independent Auditor (as applicable) may use the Project Design Document for such purposes it may require for the purposes of the Project.

12.9 VALIDATION OF PROJECT DESIGN DOCUMENT

12.9.1 The Concessionaire shall, at its sole discretion, select and appoint a reputable VVB for Validation of the Project Design Document (the "**Project Validating Body**") and shall Notify the Implementing Agency of such appointment.

12.9.2 The Concessionaire shall, at its own cost, risk, and expense, formally engage the Project Validating Body, in accordance with the Applicable Law.

12.9.3 The Concessionaire shall undertake all activities necessary for Validation of the Project Design Document and preparation of the Validation Report by the Project Validating Body, including, inter alia, the following:

(a) submitting the Project Design Document and other relevant documents to the Project Validating Body;

(b) executing such documents and following any procedures as may be required under the Project Carbon Standard and/or by the Project Validating Body; and

(c) making any modifications to the Project Design Document as may be required by the Project Carbon Standard Body.

12.9.4 The Concessionaire shall promptly, and in any event, as soon as practical, following receipt submit the Validation Report to the Project Carbon Standard Body and Implementing Agency.

12.10 PROJECT REGISTRATION

12.10.1 The Concessionaire shall ensure that the Concessionaire is recognized as the '*Project Proponents*' by the Project Carbon Standard at the time of Registration.

12.10.2 The Concessionaire shall use all reasonable endeavours to Register the Project with the Project Carbon Standard Body as soon as reasonably practicable.

12.10.3 In the event that the Registration of the Project is rejected by the Project Carbon Standard Body, or the Project is otherwise not Registered, the Concessionaire shall:

(a) promptly make any revisions to the submitted documents and, the Project (if required by the Project Carbon Standard Body) and resubmit the Project or the Project Design Document (as applicable) for Validation and/or Registration (as the case may be), within fifteen (15) days of rejection or failure to Register. Any such revisions, submission and/or resubmission shall be at the cost, risk, and expense of the Concessionaire; and/or

(b) do all things reasonably necessary to Register the Project with an alternative Carbon Standard Body, in which case the Concessionaire shall be responsible for Registering the Project within six (6) months of the rejection or failure to Register. Such Registration shall be at the cost, risk, and expense of the Concessionaire. Following successful registration with the alternative Carbon Standard Body, references to the Project Carbon Standard Body in this Agreement shall be to such alternative Carbon Standard Body.

12.11 APPOINTMENT OF INTERNATIONAL MARKETING AGENT

12.11.1 Notwithstanding anything to the contrary contained in this Agreement, the Concessionaire shall, in its sole discretion, engage an International Marketing Agent.

12.11.2 The Concessionaire, in its sole discretion, shall exclusively and irrevocably grant the legal right to sell, trade, assign, or dispose of the Carbon Credits generated from the Project to the International Marketing Agent to any person in any jurisdiction.

12.11.3 The Implementing Agency acknowledges and agrees that the International Marketing Agent shall have the full and irrevocable legal right to sell, trade, assign, or dispose of the Carbon Credits to any person in any jurisdiction.

12.11.4 The engagement of the International Marketing Agent and the grant of rights shall not relieve the Concessionaire of any of its obligations or liabilities under this Agreement. The Concessionaire shall remain solely and fully responsible to the Implementing Agency for: (a) the calculation and remittance of the Implementing Agency Revenue Share; (b) the acts and omissions of the International Marketing Agent; and (c) compliance with all Applicable Laws and Carbon Policies.

12.11.5 The Concessionaire shall ensure that all Carbon Revenues realized by the International Marketing Agent from the sale of Carbon Credits are deposited directly into the Offshore Revenue Account.

13. COMPLETION

13.1 SUBSTANTIAL COMPLETION CERTIFICATE

13.1.1 A Substantial Completion Certificate under this Section 13.1.1 shall, upon request of the Concessionaire to this effect, be issued by the Independent Engineer and the Independent Auditor certifying that the Development Works (other than the Outstanding Completion Works agreed to be deferred until the Scheduled Development Completion Date by the Independent Engineer and the Independent Auditor) have been completed; and as assessed and determined by the Independent Engineer and the Independent Auditor (the "**Substantial Completion**"). Upon issuance of such Substantial Completion Certificate, Substantial Completion shall be achieved.

13.1.2 The Independent Engineer and the Independent Auditor shall, at the request of the Concessionaire, issue a Substantial Completion Certificate upon Substantial Completion, even if the certain Outstanding Completion Works are outstanding and not yet completed. In such an event, the Substantial Completion Certificate shall have appended thereto a list of the Outstanding Completion Works signed jointly by the Independent Engineer, the Independent Auditor and the Concessionaire (the "**Development Completion Checklist**") to be completed by the Scheduled Development Completion Date.

13.1.3 The Parties expressly acknowledge that the Project Works (specifically the plantation activities) are biologically dependent on specific seasonal planting windows (the "**Planting Windows"**) and that any delay in the performance of such works, even if minor, may result in the Concessionaire missing a critical Planting Window, thereby rendering it impossible or agronomically unsound to proceed with the Project Works until the subsequent Planting Window.

13.1.4 Notwithstanding anything to the contrary contained in this Agreement, if: (a) any delay, impediment, or prevention occurs (including a delay in the Commencement Date, a delay in the handover of the Project Site, a Force Majeure Event, or a Relief Event); and (b) such delay prevents the Concessionaire from mobilizing for or completing a material portion of the plantation activities within the relevant Planting Window (as determined by the Concessionaire in its sole discretion based on Good Industry Practice), (a "**Missed Season Event**");

then:

(a) the Concessionaire shall have the right to apply for a Relief Order Request, in accordance with the provisions of Article 14 (*Relief Orders*) for all costs, fees, expenses and charges arising from and relating to such event;

(b) the Concessionaire shall be entitled to an extension of the Time for Completion, and/or the Term Expiry Date (as applicable) for a period equal to the duration of the Force Majeure Event plus a reasonable period for remobilization and recommencement of the Project Works,

13.2 DEVELOPMENT COMPLETION CERTIFICATE

13.2.1 The Concessionaire undertakes to complete all Outstanding Completion Works on the Development Completion Checklist by the Scheduled Development Completion Date and submit the completion documents in accordance with the Applicable Standards ("**Development Completion**").

13.2.2 The Development Completion Certificate shall be issued upon Development Completion by the Independent Engineer and the Independent Auditor.

13.3 TITLE TO PROJECT SITE, DEVELOPMENT WORKS AND CONCESSION ASSETS

13.3.1 The Concessionaire shall not be entitled to mortgage, charge, pledge, hypothecate or otherwise Encumber such leasehold rights and the Concession Assets in favor of the Financiers as security for the Financing.

13.3.2 The Concessionaire shall retain all legal and beneficial rights and ownership of the Concession Assets (including the Development Works) as and when the same are performed and/or completed until the Transfer Date.

13.3.3 On the Transfer Date and subject to:

(a) receipt by the shareholders of the Termination Payment in accordance with Section 22.5 *(Termination Payments)*;

(b) resolution of Disputes (if any);

(c) consent of the Financiers, during the period the Financing Due is outstanding; and

(d) receipt by the Concessionaire of all other amounts due and payable by the Implementing Agency under this Agreement (including any Force Majeure Costs);

the Concessionaire shall transfer the ownership rights to the Concession Assets to the Implementing Agency.

13.3.4 For the avoidance of doubt, until such time as the Concessionaire and/or the Sponsors have received the full amount of the Termination Payment and the Financing Due (as applicable), the Concessionaire shall: (a) retain full title, possession, and control of the Concession Assets and the Carbon Credits; (b) continue to enjoy the rights under the Concession (including the right to generate and sell Carbon Credits); and (c) be entitled to any revenues generated from the Project during such period, without any deduction or set-off by the Implementing Agency.

14. ADVERSE CARBON RISK EVENT & RELIEF EXTENSIONS

14.1 ADVERSE CARBON MARKET EVENT

14.1.1 In the event of occurrence of an Adverse Carbon Market Event, the Concessionaire shall Notify the Independent Engineer, Independent Auditor and Implementing Agency of the same, setting out reasonable details of the event and its estimated impact on the Project Revenues.

14.1.2 The Independent Auditor shall, within fifteen (15) days of receipt of the Notice under Section 14.1.1, verify the occurrence of the Adverse Carbon Market Event and certify the financial impact on the Concessionaire (based on the Carbon Revenues that may be generated under the prevailing revenue model of the Concessionaire). Such certification shall be binding on the Parties.

14.1.3 Any Dispute as to whether or not an Adverse Carbon Market Event has occurred or the extent of its impact may be referred by any Party for resolution in accordance with the Dispute Resolution Procedure.

14.1.4 Within ninety (90) days (unless otherwise agreed by the Parties) of the assessment and confirmation of existence of the Adverse Carbon Market Event in accordance with Section 14.1.2, the Parties shall, enter into good faith negotiations to mutually agree on:

(a) measures to address and mitigate (as applicable) the impact of the Adverse Carbon Market Event; and

(b) any adjustments to the financial terms provided under this Agreement, including temporary or permanent rationalization of the Implementing Agency's revenue share so as to ensure that the Concessionaire achieves a reasonable cumulative return of KIBOR plus a spread of two percent (2%),

provided that, requisite approvals (as may be necessary) are obtained from the relevant Government Authority in accordance with the Applicable Laws.

14.1.5 Following expiration of the negotiation period under this Section 14.1.4:

(a) in the event a solution has been agreed by the Parties and requisite approvals have been obtained, the Parties shall enter into a binding agreement in writing, confirming the agreed terms of the negotiated solution; or

(b) in the event that the Parties are unable to agree on a solution, the Concessionaire, may, at its discretion, terminate this Agreement in accordance with Article 22 (*Termination*).

14.1.6 The Concessionaire hereby confirms that:

(a) its entitlement under this Section 14 (Adverse Carbon Market Event) shall be, subject to Section 14.1.5 (b), its sole and exclusive remedy with respect to any Adverse Carbon Market Event;

(b) it shall have no additional Claim whatsoever against Implementing Agency in this regard (except any additional claim agreed in the negotiated proposal).

14.2 RELIEF EVENTS

14.2.1 The Concessionaire shall be entitled to initiate a request to the Independent Engineer and Independent Auditor (the **Relief Order Request**) for issuance of a Relief Order relating to, as applicable, an extension of the Time For Completion by the Implementing Agency in the event of occurrence of the following event and circumstances as certified by the Independent Engineer (the **Relief Events**):

(a) a Material Adverse Impediment; provided, that the Concessionaire shall be entitled to only an extension in Time for Completion for any delays, directly result from the Material Adverse Impediment and as are determined by the Independent Engineer and Independent Auditor in the Relief Order;

(b) a Political Event; provided, that the Concessionaire shall be entitled to only an extension in Time for Completion for any delays that, in each case, directly result from the Political Event and as are determined by the Independent Engineer and Independent Auditor in the Relief Order;

(c) the occurrence of the circumstances set out in Section 4.7 (*Geological and Archeological Finds*) causing a delay in the performance of the Concessionaire's obligations under this Agreement; provided, that the Concessionaire shall be entitled to only an extension in Time For Completion for any delays, directly result from the occurrence of the circumstances set out in Section 4.7 (*Geological and Archeological Finds*) and as are determined by the Independent Engineer and Independent Auditor in the Relief Order;

(d) a Non-Political Event; provided, that the Concessionaire shall be entitled to only an extension in Time for Completion for any delays that directly result from the Non-Political Event and as are determined by the Independent Engineer and Independent Auditor in the Relief Order;

(e) an Emergency directly resulting from a Non-Political Event; provided, that the Concessionaire shall be entitled to only an extension in Time for Completion for any delays that directly result from Emergency caused by a Non-Political Event and as are determined by the Independent Engineer and Independent Auditor in the Relief Order;

(f) a delay by the Implementing Agency in providing the Vacant Possession of the Project Site in accordance with the terms of this Agreement; provided, that the Concessionaire shall be entitled to an extension in Time for Completion for any delays, directly result from such delay in providing Vacant Possession and as are determined by the Independent Engineer and Independent Auditor in the Relief Order;

(g) a delay caused as a result of Suspension, provided that such Suspension is caused due to a Permitted Event; the Concessionaire shall be entitled to an extension in Time for Completion for any delays that directly result from such delay due to Suspension, as determined by the Independent Engineer and the Independent Auditor in the Relief Order;

(h) a Specific Nature Event, provided that the Concessionaire shall be entitled to an extension in Time for Completion for any delays that directly result from such delay, as determined by the Independent Engineer and the Independent Auditor in the Relief Order; and

(i) any Environmental Abnormality, provided that the Concessionaire shall be entitled to an extension in Time for Completion for any delays that directly result from such delay, as determined by the Independent Engineer and the Independent Auditor in the Relief Order.

14.2.2 If due to the occurrence of a Relief Event the Concessionaire is entitled to initiate a Relief Order Request, the Concessionaire shall prepare and deliver to the Independent Engineer and the Independent Auditor (with a copy to the Implementing Agency) a Relief Order Request, together with the Relief Order Proposal that is prepared in accordance with and is subject to Section 14.4 (*Relief Order Procedure*) and, if applicable, Section 14.5 (*Additional Requirements For Relief Orders Relating To Extension Of Time For Completion*). Each Relief Order Request prepared in accordance with Section 14.4 (*Relief Order Procedure*) and, if applicable, Section 14.5 (*Additional Requirements for Relief Orders Relating to Extension of Time for Completion*) shall specifically set out in detail the events and circumstances constituting the Relief Event, together with all supporting satisfactory documentary evidence relating thereto.

14.2.3 Following submission to the Independent Engineer and the Independent Auditor of a Relief Order Request pursuant to Section 14.2.2, the Independent Engineer and the Independent Auditor shall proceed in accordance with Section 14.4 (*Relief Order Procedure*) and Section 14.5 (*Additional Requirements for Relief Orders Relating to Extension of Time for Completion*).

14.2.4 Notwithstanding anything to the contrary, the Parties agree that the Concessionaire shall not be entitled to any extensions of Time For Completion, due to occurrence of a Relief Event, until such time the same is determined by the Independent Engineer and the Independent Auditor and set out in the Relief Order issued by the same in accordance with this Agreement provided further that the Independent Engineer certifies that the Concessionaire has no space for parallel or alternate sequencing of works available for carrying out its obligations within the prescribed timelines and until the Concessionaire has proved to have made all its efforts to avoid such Relief Event according to Good Industry Practices.

14.2.5 Notwithstanding anything to the contrary contained in this Agreement, upon the occurrence of a Relief Event: (a) the Concessionaire shall be expressly excused from the performance of its obligations under this Agreement to the extent such performance is prevented, impeded, or delayed by such Relief Event; and (b) the Concessionaire shall not be liable for any Defects & Deficiencies, penalties, or damages (including Performance Damages) resulting from such Relief Event.

14.3 RELIEF ORDER PROCEDURE

14.3.1 In case the Concessionaire submits a Relief Order Request to the Independent Engineer and the Independent Auditor (with a copy to the Implementing Agency) pursuant to Section 14.2 (*Relief Events*) then prior to the Independent Auditor and the Independent Engineer issuing a Relief Order, the Concessionaire shall prepare and submit to the Independent Auditor and the Independent Engineer (with a copy to the Implementing Agency), as soon as practicable, a detailed proposal (the **Relief Order Proposal**) containing:

(a) a description of the proposed work to be performed and a detailed programme for its execution;

(b) the Concessionaire's proposal for any adjustments to Time for Completion, accompanied by detailed pricing and documentary evidence;

14.3.2 The Independent Engineer and the Independent Auditor shall issue the Relief Order in accordance with the Concessionaire's Relief Order Proposal within fourteen (14) days of receipt thereof, unless they notify the Concessionaire of a manifest arithmetic error. If no such notice is received within the said fourteen (14) day period, the Relief Order Proposal shall be deemed approved and the Relief Order shall be deemed to have been issued granting the full relief requested by the Concessionaire.

14.3.3 The Concessionaire shall be entitled to time extension incurred or suffered as a consequence of a Relief Event (including loss of revenue, profit and financing costs), and the Implementing Agency shall allow such time extensions within thirty (30) days of the issuance (or deemed issuance) of the Relief Order.

14.4 DISPUTES AND BURDEN OF PROOF

14.4.1 Any Dispute between the Parties in reference to the issuance of a Relief Order and/or any matters relating to the same shall be resolved pursuant to Article 26 (*Dispute Resolution*);

15. CHANGE OF SCOPE

15.1 CHANGE OF SCOPE

15.1.1 Notwithstanding anything to the contrary contained in this Agreement, the Implementing Agency may recommend a change/amendment in the Scope of the Project (the **Change of Scope**); provided, that the Concessionaire shall accept or reject such recommendation and shall have no obligation to execute such Change of Scope. In the event the Concessionaire elects to execute such Change of Scope, all Additional Costs to be paid by the Implementing Agency in respect of the Change of Scope and any extensions in the timelines for the performance by the Concessionaire of its obligations resulting from a Change of Scope shall be in accordance with Section 15.2 and Section 15.3.

15.2 CHANGE OF SCOPE NOTICE

15.2.1 The Implementing Agency may propose the Change of Scope by issuing a Change of Scope Notice in accordance with the provisions of this Section 15.2 (*Change of Scope Notice*).

15.2.2 The Implementing Agency may submit a proposal for a Change of Scope by issuing a notice in writing to the Concessionaire through the Independent Engineer (the **Change of Scope Notice**):

(a) at least ninety (90) days prior to the Scheduled Substantial Completion Date in the event the Change of Scope is required during the Development Period; and

(b) at any time in the event the Change of Scope is required during the Operations Period.

15.2.3 In the event at any time during the Development Period and/or the Operations Period, the Concessionaire determines that a Change of Scope is necessary for providing safer and improved services, the Concessionaire shall issue a request in writing to the Implementing Agency through the Independent Engineer to consider issuing a Change of Scope Notice in respect of the same. The Implementing Agency shall within forty-five (45) days from the date of receipt of such notice, on an "*as is*" basis or with modifications, and issue the requisite

Change of Scope Notice in accordance with the provisions of this Section 15.2 (*Change of Scope Notice*).

15.2.4 The Concessionaire shall, within fourteen (14) days of receipt of a Change of Scope Notice from the Implementing Agency, Notify the Implementing Agency whether it accepts or rejects the proposed Change of Scope. If the Concessionaire rejects the proposal (or fails to respond), the Change of Scope Notice shall be deemed withdrawn and the Concessionaire shall have no liability in respect thereof.

15.3 CHANGE OF SCOPE ORDER

15.3.1 Subject to the Concessionaire's acceptance of the Change of Scope in accordance with Section 15.2.4, the Concessionaire shall, within fifteen (15) days of receipt of the Change of Scope Notice, provide to the Independent Engineer such information as is necessary and reasonable together with the preliminary documentation and details, including the calculations, where necessary, in support of the following:

(a) the budgeted estimate of the Additional Cost to be incurred by the Concessionaire for implementing the Change of Scope;

(b) the estimated additional time (number of days) that the Concessionaire would require to achieve Substantial Completion and/or Project Development Completion consequent to the Change of Scope and any delay, in the Final Expiry Date;

(c) any extensions in the Project Implementation Schedule resulting from the Change of Scope; and

(d) any extensions in the timelines for performance by the Concessionaire of its obligations under this Agreement resulting from the Change of Scope.

15.3.2 The Independent Engineer shall after reviewing the information, documentation and the budgeted estimate of the Additional Cost submitted by the Concessionaire pursuant to Section 15.3.1, settle the rates and forward the budgeted estimates of the Additional Cost, as duly certified by the (Independent

Engineer and the Independent Auditor) in consultation with the Concessionaire, to the Implementing Agency. In the event the Implementing Agency fails to issue a Change of Scope Order or object to the budgeted estimates within fifteen (15) days of receipt, the Concessionaire's estimates shall be deemed approved.

15.3.3 Subject to the Concessionaire's acceptance of the Change of Scope in accordance with Section 15.2.4, the Parties shall execute a Change of Scope Order.

15.3.4 In the event, the Implementing Agency for any reason whatsoever decides not to issue a Change of Scope Order in accordance with Section 15.3.1, then the Implementing Agency shall reimburse the Concessionaire for the cost/expenses actually incurred by the Concessionaire in the preparation and submission of the drawings, documents, estimates and other information in compliance with the Change of Scope Notice; provided, such costs and expenses are duly certified by the Independent Auditor and the Independent Engineer.

15.3.5 The mode for payment of the Additional Costs to the Concessionaire shall be as follows and shall be complied by the Implementing Agency prior to the commencement of any works related to the Change of Scope and until such time that the following conditions are complied by the Implementing Agency, the Concessionaire shall not be obligated to commence and/or perform the works forming part of the Change of Scope Order:

(a) Fifty percent (50%) of the Additional Cost shall be paid in advance upon issuance of the Change of Scope Order (or as agreed between the Parties in accordance with Applicable Laws); and

(b) the remaining fifty percent (50%) shall be paid progressively based on milestones to be agreed between the Parties.

15.3.6 The Change of Scope Order shall be effective from the date that the Implementing Agency notifies the mode of reimbursement of the Additional Cost to the Concessionaire pursuant to sub-section 15.3.5 of this Section 15.3 (*Change of Scope Order*).

15.3.7 Save for the advance payment under Section 15.3.5(a), the Implementing Agency shall progressively pay the Additional Cost in accordance with sub-

section 15.3.5 of this Section 15.3 (*Change of Scope Order*) or any other modality as mutually agreed between the Parties, only upon receiving a certificate from the Independent Engineer confirming that the Concessionaire has completed the relevant milestone(s) of the works in accordance with the Change of Scope Order.

15.3.8 Notwithstanding anything to the contrary, if the Change of Scope involves the procurement of any equipment or materials, the Concessionaire shall not be required to place any orders for such equipment or materials until it has received the advance payment in accordance with Section 15.3.5(a).

16. REVENUE SHARING AND REVENUE ACCOUNT

16.1 CARBON REVENUE

16.1.1 The Concessionaire shall, for the duration of the Concession Period and thereafter, have:

(a) the exclusive, sole and absolute legal and beneficial title to the Carbon Credits (including all environmental attributes, ITMOs, and Co-benefits associated therewith); and

(b) the exclusive rights to sell, transfer, assign, encumber or otherwise dispose of good and marketable title to the Carbon Credits in accordance with this Agreement.

16.1.2 Subject to Section 16.1.3, Section 16.1.4 and Section 16.3 (*Agreements with Affiliates*), the Concessionaire shall, following the Commencement Date, have the right to sell Carbon Credits to Customers in any Carbon Markets (including any voluntary carbon market, compliance market, or any other market selected by the Concessionaire); provided that the Concessionaire shall determine the terms and conditions (including price, volume, and timing) of such sales.

16.1.3 The Concessionaire shall ensure that Carbon Credits sold under any Carbon Credit Sale Agreements do not include any:

(a) Buffer Credits (unless released by the Project Carbon Standard Body); and

(b) Carbon Credits mandatorily allocated toward Pakistan's NDC under the Applicable Laws.

16.1.4 The Concessionaire shall determine the Unit Price at which the Carbon Credits are sold, traded, or disposed of on the basis of prevailing market rates or otherwise.

16.1.5 The Concessionaire shall have the right to hold, bank, or accumulate Carbon Credits for future sale or trading and shall be under no obligation to sell such Carbon Credits within any specific timeline; provided that any Carbon Credits

sold subsequently shall be accounted for in the Revenue Evaluation Period in which the revenue from such sale is actually realized.

16.1.6 Promptly following the execution of a Carbon Credit Sale Agreement, the Concessionaire shall provide the certified (as being true and correct) copies of the executed agreement to the Independent Engineer, Independent Auditor and Implementing Agency.

16.1.7 The Concessionaire shall ensure that the Carbon Credit Sale Agreement executed by it in favour of the Customer is duly stamped and registered as may be required under the Applicable Laws.

16.2 SELECTION OF VOLUNTARY AND COMPLIANCE MARKETS

16.2.1 Notwithstanding anything to the contrary contained in this Agreement (including the Project Scope), the Concessionaire shall determine and select the specific Carbon Market(s) in which the Carbon Credits shall be sold, traded or otherwise disposed of, which may include: (a) any compliance market (whether under the Paris Agreement, CORSIA or any other international or domestic compliance regime); (b) any voluntary carbon market (the "**Voluntary Market**"); (c) any bilateral trading mechanism; and/or (d) any exchange-based trading platform.

16.2.2 The Implementing Agency hereby acknowledges and agrees that: (a) the Concessionaire may prioritize sales in the Voluntary Market over compliance markets (or vice versa) based on its own commercial assessment; (b) the Implementing Agency shall have no claim against the Concessionaire for any potential revenue differential, loss of opportunity, or price variance resulting from the Concessionaire's selection of a specific Carbon Market (including a Voluntary Market) over another available market based on the commercial assessment.

16.2.3 In the event the Concessionaire elects to sell Carbon Credits in a Voluntary Market, the Implementing Agency shall, upon the written request of the Concessionaire, provide all reasonable assistance (including the issuance of any requisite no-objection certificates or waivers or Letters of Authorization) to facilitate such sale within fifteen (15) days of such request.

16.3 AGREEMENTS WITH AFFILIATES

16.3.1 The Concessionaire may enter into a Carbon Credit Sale Agreement and/or an Ancillary Activities Agreement with an Affiliate in accordance with Section 16.1 (*Carbon Revenue*), provided, however, that the Concessionaire shall ensure that any such transaction is on terms that are not materially less favorable to the Concessionaire than those available from unrelated third parties, ensures the best available commercial outcome for the Concessionaire, and complies with Applicable Laws, including any laws of Pakistan with respect to related party transactions.

16.3.2 The Concessionaire shall submit any policy regarding related party transactions, as approved by its board of directors, to the Independent Auditor for its information and record only.

16.3.3 The Concessionaire shall, at least twenty (20) days prior to the execution of a Carbon Credit Sale Agreement with an Affiliate, provide: (a) the draft contracts; (b) details of the Affiliate and the relationship; (c) the proposed Unit Price(s) under such Carbon Credit Sale Agreement, to the Independent Engineer and Independent Auditor for information purposes.

16.4 REVENUE SHARING MECHANISM

16.4.1 Within ten (10) business days of expiry of each Revenue Evaluation Period, the Concessionaire shall procure issuance of a certificate (the "**Revenue Sharing Certificate**") (with a copy to Implementing Agency and Project Account Bank) from the Independent Auditor certifying the following, each with respect to such Revenue Evaluation Period: (a) Project Revenues; (b) Expenditures (incurred and/or to be incurred); (c) Available Distributable Revenues; (d) Implementing Agency Revenue Share; and (e) Concessionaire Revenue Share.

16.4.2 The Concessionaire shall, within twenty (20) business days of the issuance of the Revenue Sharing Certificate, transfer the Concessionaire Revenue Share and the Implementing Agency Revenue Share as certified in accordance with Section 16.4.1 in the Revenue Sharing Certificate.

16.5 PROJECT REVENUES

16.5.1 The Concessionaire shall ensure that all Project Revenues are deposited in the Revenue Account. In the event, the Concessionaire engages an International Marketing Agent, the Concessionaire shall procure that all Carbon Revenues collected by such International Marketing Agent are deposited into the Offshore Revenue Account. The Concessionaire shall determine the allocation of Project Revenues between the Onshore Revenue Account and the Offshore Revenue Account (subject to Applicable Laws).

16.6 REVENUE ACCOUNT

16.6.1 The Concessionaire may establish, maintain and operate the Onshore Revenue Account and/or the Offshore Revenue Account until the Final Expiry Date in accordance with the terms of this Agreement and Applicable Laws.

16.6.2 The Revenue Account shall be managed, operated and controlled solely by the Concessionaire at its own discretion.

16.6.3 The Concessionaire shall be entitled to withdraw funds from the Revenue Accounts to pay any Expenditures (including Foreign Expenditures) or for any other purpose at any time in its sole discretion.

17. DEFECTS & DEFICIENCIES, NOTICE OF REMEDY, SUSPENSION

17.1 REMEDYING DEFECTS & DEFICIENCIES

17.1.1 The Concessionaire warrants that the:

(a) Project Works shall be materially in accordance with the Applicable Standards; and

(a) the Concession Assets shall materially comply with the Applicable Standards,

provided that minor deviations which do not materially impair the safety or operability of the Project shall not constitute a breach of this warranty.

17.1.2 In order that the Project Works and the Concession Assets are in accordance with the Applicable Standards, the Concessionaire shall execute all works and services relating to amendment, reconstruction and remedying of Defects & Deficiencies; provided that the Concessionaire shall only be obligated to execute such works and services (at its own cost) if and to the extent the relevant Defect & Deficiency is a direct result of the Concessionaire's gross negligence or wilful misconduct.

17.2 NOTICE REMEDY

17.2.1 In the event of a material breach of the Applicable Standards which materially adversely affects the safety or operability of the Project (the **Remedy Events**):

(a) the Project Works (or any part thereof) are not performed in accordance with the Applicable Standards; and/or

(b) the Project Works (or any part thereof) fail to comply with the Applicable Standards; and / or

(c) the Concession Assets (or any part thereof) fail to comply with the Applicable Standards, then the Independent Engineer shall be entitled to issue a Notice to the Concessionaire to rectify and remedy the same (the **Notice of Remedy**). The Notice of Remedy shall set out the reasonable

time period (as determined by the Independent Engineer) (the **Remedy Time Period**) in which the Concessionaire shall remedy and rectify the Remedy Events in accordance with the Applicable Standards.

17.2.2 In the event of failure by the Concessionaire to remedy the Remedy Events within the Remedy Time Period (or such longer period as may be reasonable in the circumstances), the Implementing Agency shall, without prejudice to any of its other rights and remedies under this Agreement, be entitled to, with the prior approval of the Independent Engineer and at the risk and cost of the Concessionaire, cause the remedying and rectification of the Remedy Events.

17.2.3 The Concessionaire shall reimburse all reasonable and documented costs incurred by the Implementing Agency (as certified by the Independent Auditor and the Independent Engineer) on account of such remedying and rectification of the Remedy Events within thirty (30) days of receipt of the Implementing Agency' claim thereof set out in an invoice approved by the Independent Engineer and the Independent Auditor (the **Implementing Agency Remedy Invoice**); provided, however, that: (a) the Concessionaire shall not be obligated to reimburse any costs if the underlying Remedy Event or the quantum of costs is disputed by the Concessionaire in accordance with Article 26 (Dispute Resolution) until such Dispute is finally resolved by arbitration; and (b) the Implementing Agency shall have no right to encash the Development Performance Security or the O&M Performance Security for the recovery of such amounts.

17.3 SUSPENSION

17.3.1 The Concessionaire shall have the right to suspend the Project Works (or any part thereof) at any time upon giving three (3) days' written notice to the Implementing Agency and the Independent Engineer if: (a) the Implementing Agency fails to perform any of its material obligations under this Agreement (b) a Security Event or Force Majeure Event has occurred; or (c) the Concessionaire reasonably believes that continuing the Project Works would be unsafe or would result in a violation of Applicable Laws,

(the **Suspension, Suspend and its grammatical variations**).

17.3.2 During any period of Suspension, any Suspension shall be deemed a Relief Event, entitling the Concessionaire to an extension of the Time for Completion in accordance with Article 14 (*Adverse Carbon Risk Event & Relief Extensions*).

17.3.3 A Suspension initiated by the Concessionaire under Section 17.3.1 shall legally continue until the underlying cause has been remedied to the satisfaction of the Concessionaire.

18. OPERATION AND MAINTENANCE

18.1 OPERATION AND MAINTENANCE

18.1.1 During the Operations Period, the Concessionaire shall use reasonable commercial efforts to undertake the Operation and Maintenance of the Concession Assets.

18.1.2 The Concessionaire shall perform the Operation and Maintenance either itself, or through a Contractor appointed in accordance with the terms of this Agreement and the engagement of such Contractor shall be deemed to satisfy the Concessionaire's obligations hereunder regarding the performance of Operation and Maintenance.

18.2 OPERATION AND MAINTENANCE OBLIGATIONS OF THE CONCESSIONAIRE

18.2.1 The Concessionaire undertakes to perform the Operation and Maintenance of the Concession Assets during the Operations Period in accordance with the provisions of Section 18.1 (*Operation and Maintenance*) and manage the Concession Assets in accordance with the Applicable Standards.

18.2.2 The Concessionaire hereby agrees that the Operation and Maintenance obligations of the Concessionaire hereunder shall include the performance of the following obligations in accordance with the Applicable Standards and Good Industry Practices and within the O&M Time for Completion:

(a) carrying out maintenance of the Concession Assets;

(b) complying with Safety Requirements; and

(c) performing all other activities and obligations relating to Operation and Maintenance so as to comply with the Applicable Standards and also so as to result in the Concession Assets complying with the Applicable Standards.

18.3 BARRIERS AND DIVERSIONS

18.3.1 The Implementing Agency shall ensure that during the Operations Period, no barriers are erected or placed by any Government Authority and/or the Implementing Agency on the Concession Assets, except for reasons of Emergency, national security, law and order; provided, that all such barriers shall be in accordance with the Applicable Standards (including the Safety Requirements).

19. INSURANCES

19.1 DEVELOPMENT PERIOD INSURANCES

19.1.1 The Concessionaire shall, as a Project expense (which cost shall be treated as an **Expenditure**), procure and maintain during the Development Period all such Insurances, as described in **PART I (*Development Period Insurances*) OF SCHEDULE E (*Insurances*)**, that are necessary and required to be procured by the Concessionaire in accordance with the Financing Documents and the Applicable Laws.

19.2 OPERATIONS PERIOD INSURANCES

19.2.1 The Concessionaire shall, as a Project expense (which cost shall be treated as an **Expenditure**), procure and maintain during the Operations Period all such Insurances, as described in **PART II (*Operations Period Insurances*) OF SCHEDULE E (*Insurances*)**, that are necessary and required to be procured by the Concessionaire in accordance with the Financing Documents and Applicable Laws.

19.3 INSURANCE COMPANIES

The Concessionaire shall have the sole discretion to procure the Insurances from reputable and financially sound insurance companies, whether local or foreign (including reinsurance), as it deems appropriate.

19.4 EVIDENCE OF INSURANCES

19.4.1 The Concessionaire shall, from time to time, provide to the Implementing Agency copies (duly attested as certified to be a true and correct copy by the relevant insurance company) of all insurance policies (or appropriate endorsements, certifications or other satisfactory evidence of insurance) obtained by the Concessionaire in accordance with this Agreement.

19.4.2 Failure by the Concessionaire to obtain the Insurance coverage or certificates of Insurance required by this Article 19 (*Insurances*) shall not in any way relieve or limit the Concessionaire's obligations and liabilities under any provision of this Agreement.

19.4.3 [Not Used]

19.4.4 The Concessionaire shall provide the Implementing Agency with copies of any underwriters' reports or other reports received by the Concessionaire from any insurance company; provided, that the Implementing Agency shall not disclose such reports to any other person except as necessary in connection with administration and enforcement of this Agreement or any other Implementing Agency Agreement or as may be required by any Government Authority and shall use and internally distribute such reports only as necessary in connection with the administration and enforcement of this Agreement.

19.5 APPLICATION OF INSURANCE PROCEEDS

19.5.1 All moneys received under the Insurance shall be promptly applied by the sole discretion of the Concessionaire towards repair, renovation, restoration and/or substitution of the Concession Assets or any part thereof which may have been damaged or destroyed.

19.5.2 The Concessionaire may designate the Financiers as the loss payees under the Insurance and/or assign the Insurance in their favor as security for the Financing availed by the Concessionaire from the Financiers pursuant to the Financing Documents.

19.6 MAINTENANCE OF "OCCURRENCE" FORM POLICIES

19.6.1 A coverage required under this Article 19 (*Insurances*) and **SCHEDULE E (*Insurances*)** and any "umbrella" or excess coverage shall be "occurrence" form policies.

19.7 POLICY ENDORSEMENTS

19.7.1 The Concessionaire shall cause the insurance companies to provide the following endorsement items in the commercial general liability and, if applicable, umbrella or excess liability policies relating to the development, Operation and Maintenance of the Concession Assets provided pursuant to this Article 19 *(Insurances)* and **SCHEDULE E (*Insurances*)** the following separation of interests clause shall be made a part of the policy:

“In the event of claims being made by reason of (i) personal and/or bodily injuries suffered by any employee or employees of one insured hereunder for which another insured hereunder is or may be liable, or (ii) damage to property belonging to any insured hereunder for which another insured is or may be liable, then this policy shall cover such insured against whom a claim is made or may be made in the same manner as if separate policies have been issued to each insured hereunder, except with respect to the limits of insurance.”.

20. FORCE MAJEURE

20.1 FORCE MAJEURE EVENT

20.1.1 A **Force Majeure Event** means any event or circumstance or combination of events or circumstances (including the effects thereof) that is beyond the reasonable control of the Concessionaire and that on or after the Commencement Date materially and adversely affects the performance by the Concessioanire (the **Affected Party**) of its obligations under or pursuant to this Agreement; provided, however, that, such material and adverse effect could not have been prevented, overcome or remedied in whole or in part by the Affected Party through the exercise of diligence and reasonable care, it being understood and agreed that reasonable care includes acts and activities to protect the Concession Assets from a casualty or other event that are reasonable in light of the probability of the occurrence of such event, the probable effect of such event if it should occur, and the likely efficacy of the protection measures. Without limiting the generality of the foregoing, "**Force Majeure Events**" hereunder shall include each of the following events and circumstances (including the effects thereof), but only to the extent that each satisfies the requirements above:

(a) the following political events that occur inside or directly involve Pakistan (each a **Political Event**):

(i) any act of war (whether declared or undeclared), invasion, armed conflict or act of foreign enemy, blockade, embargo, closure of roads, highways or borders (provincial or national) preventing access to the Site or the movement of personnel or materials, tribal conflict, feudal disputes, revolution, riot, insurrection, civil commotion, or campaign of terrorism or political sabotage, terrorism, kidnapping, hostage-taking, or targeted violence against the Concessionaire's personnel or property; or

(ii) any Lapse of Consent of which report to Implementing Agency, the Independent Engineer and the Independent Auditor shall have been given under Section 8.6.3 and that shall have existed for thirty (30) consecutive days or more; or

(i) any strike, work-to-rule, go-slow, or analogous labour action that is politically motivated or is widespread or nationwide and that (or its effects) shall have existed for thirty (30) consecutive days or more; or

(ii) Change In Law;

(iii) an Administrator Event;

(iv) Emergency; or

(v) any Security Event;

(b) the following events beyond the reasonable control of the Affected Party (each a **Non-Political Event**), including, but not limited to:

(i) lightning, fire, earthquake, tsunami, flood, storm, cyclone, typhoon, or tornado, which has, in each case, affected the work or operations for more than fifteen (15) consecutive days; or

(ii) any Lapse of Consent of which report to Implementing Agency, the Independent Engineer and the Independent Auditor shall have been given under Section 8.6.3 and that shall have existed for less than thirty (30) consecutive days; or

(iii) any strike, work-to-rule, go-slow, or analogous labour action that is not politically motivated or is not widespread or nationwide and that shall have existed for thirty (30) consecutive days or more; or

(iv) explosion, chemical contamination, radioactive contamination or ionizing radiation; or

(v) epidemic or plague.

(c) Force Majeure Events shall expressly not include the following conditions, events or circumstances:

(i) late delivery or interruption in the delivery of machinery, equipment materials, spare parts or consumables;

(ii) a breakdown in machinery and/or equipment; and

(iii) normal wear and tear or random flaws in materials and equipment,

provided, that each of the events described in clauses (c)(i), (ii) or (iii) shall constitute a Force Majeure Event to the extent that such events or circumstances are caused by an event or circumstance that is in itself a Force Majeure Event whether experienced directly by the Concessionaire or by one of its Contractors.

20.2 OBLIGATION TO NOTIFY

20.2.1 Notwithstanding anything contained herein, the Affected Party shall, as soon as practicable, Notify the Independent Engineer, the Independent Auditor and the other Party, of the occurrence of the Force Majeure Event by the issuance of a notice in writing (the **Force Majeure Notice**).

20.2.2 The Affected Party shall provide all relevant details in respect of the Force Majeure Event in the Force Majeure Notice, including but not restricted to the following:

(a) the nature and extent of the Force Majeure Event;

(b) the estimated Force Majeure Period;

(c) the nature of and the extent to which, performance of any of the Affected Party's obligations under this Agreement are affected by the Force Majeure Event;

(d) the measures which the Affected Party has taken or proposes to undertake to alleviate/mitigate the impact of the Force Majeure Event and to resume performance of such of its obligations that are affected by the Force Majeure Event; and

(e) any other relevant information concerning the Force Majeure Event, and /or the rights and obligations of the Parties under this Agreement.

20.2.3 The Parties shall, as soon as practicable upon the receipt of the Force Majeure Notice and in any case within five (5) days from the date of receipt of the same, convene a meeting, along with the Independent Engineer for the purpose of conducting discussions, in good faith, and where necessary the Parties shall agree to conduct inspections and / or surveys of the Project in order to:

(a) assess the impact of the underlying Force Majeure Event;

(b) to determine the likely duration of Force Majeure Period; and

(c) to formulate damage mitigation measures and the steps to be undertaken by the Parties for resumption of the obligations, the performance of which had been affected by the Force Majeure Event.

20.2.4 The Affected Party shall during the Force Majeure Period provide to the other Party with regular (not less than weekly) reports in respect of the matters set out Section 21.2.3 and such other information, details and / or documents that the other Party may reasonably require.

20.3 CONSEQUENCE OF FORCE MAJEURE EVENT

20.3.1 Upon occurrence of a Force Majeure Event, the following shall apply:

(a) there shall be no Termination of this Agreement except in accordance with the provisions of Section 20.5 (*Termination Notice for Force Majeure Event*), Section 20.6 (*Termination Payment for Force Majeure Event*) and Article 22 (*Termination*);

(b) in the event of occurrence of a Force Majeure Event:

(i) subject to Section 20.8, the Concessionaire shall have the right to apply for a Relief Order Request (affected by the Force Majeure Event), in accordance with the provisions of Article 14 (*Relief Orders*);

(ii) all costs, fees, expenses and charges arising from and relating to the Force Majeure Event shall be allocated in accordance with Section 20.4 (*Allocation of Costs Arising out of Force Majeure*);

(iii) the Concessionaire shall be entitled to an extension of the Time for Completion, and/or the Term Expiry Date (as applicable) for a period equal to the duration of the Force Majeure Event plus a reasonable period for remobilization and recommencement of the Project Works,

provided, however, that no relief, including extension of Time for Completion, shall be granted to the Affected Party to the extent that such failure or delay would nevertheless have been experienced by the Affected Party had the Force Majeure Event not occurred.

20.4 ALLOCATION OF COSTS ARISING OUT OF FORCE MAJEURE

20.4.1 Upon occurrence of a Force Majeure Event, the Force Majeure Costs shall be allocated as follows:

(a) upon occurrence of a Non-Political Event, all Force Majeure Costs shall be funded from the proceeds of the Insurances; provided, however, that if the aggregate of such proceeds actually received (or irrevocably committed to be received) by the Concessionaire is less than the estimated Force Majeure Costs (the "**Reinstatement Shortfall**"), then;

(i) the Concessionaire shall Notify the Implementing Agency of such Reinstatement Shortfall; and

(ii) if the Implementing Agency does not agree in writing, within thirty (30) days of such Notice, to pay, fund and/or reimburse the Concessionaire for the Reinstatement Shortfall in a manner satisfactory to the Concessionaire, the Concessionaire shall have the right to Terminate this Agreement immediately upon written notice to the Implementing Agency.

(b) upon occurrence of a Political Event, the Implementing Agency shall fund and bear the Force Majeure Costs (as set out in a Relief Order) and in such case, the provisions of Article 14 (*Adverse Carbon Risk Event & Relief Extensions*) shall apply.

20.5 TERMINATION NOTICE FOR FORCE MAJEURE EVENT

20.5.1 If a Force Majeure Event subsists for a continuous period of one hundred and twenty (120) days, either Party may in its discretion Terminate this Agreement by issuing a Termination Notice to the other Party. In such case, the terminating Party shall not be liable in any manner whatsoever, save as provided in this Section 20.5 (*Termination Notice for Force Majeure*) and Section 20.6 (*Termination Payment for Force Majeure Event*), and upon issue of such Termination Notice, this Agreement shall, notwithstanding anything to the contrary contained herein, stand Terminated forthwith; provided, that before issuing such Termination Notice, the Party intending to issue the Termination Notice shall inform the other Party of such intention and grant fifteen (15) days' time to make a representation, and may after the expiry of such fifteen (15) days period, whether or not it is in receipt of such representation, in its sole discretion issue the Termination Notice.

20.6 TERMINATION PAYMENT FOR FORCE MAJEURE EVENT

20.6.1 If Termination is on account of a Non-Political Event, the Implementing Agency shall make a Termination Payment to the Concessionaire on or prior to the Termination Payment Date in an amount equal to the Non-Political Event Termination Amount.

20.6.2 If Termination is on account of a Political Event, the Implementing Agency shall make a Termination Payment to the Concessionaire on or prior to the Termination Payment Date in an amount equal to the Political Event Termination Amount.

20.7 FORCE MAJEURE DISPUTE RESOLUTION

20.7.1 In the event that the Parties are unable to agree in good faith about the occurrence or existence of a Force Majeure Event, such Dispute shall be finally settled in accordance with the Dispute Resolution Procedure; provided, that the

burden of proof as to the occurrence or existence of such Force Majeure Event shall be upon the Party claiming relief and/or excuse on account of such Force Majeure Event.

20.8 EXCUSE FROM PERFORMANCE OF OBLIGATIONS

20.8.1 If the Affected Party is rendered wholly or partially unable to perform its obligations under this Agreement because of a Force Majeure Event, it shall be excused from performance of such of its obligations (except payment obligations) to the extent it is unable to perform on account of such Force Majeure Event.

21. EVENTS OF DEFAULT

21.1.1 **CONCESSIONAIRE EVENT OF DEFAULT**

21.1.2 Any of the following events shall constitute an event of default by the Concessionaire (the **Concessionaire Event of Default**) unless such event has occurred as a consequence of Permitted Events, a Security Event, or a Relief Event:

(a) any Material Breach by the Concessionaire or the Sponsor of any Implementing Agency Agreement which Material Breach has not been cured within sixty (60) days from the date of written notice thereof by the Implementing Agency, or within such time period as provided in the relevant Implementing Agency Agreement, respectively;

(b) the Concessionaire fails to achieve Substantial Completion by the date falling one hundred and twenty (120) days following the Scheduled Substantial Completion Date;

(c) any statement, representation or warranty made by the Concessionaire in this Agreement proving to have been incorrect, in any material respect, when made or when reaffirmed and such incorrect statement, representation or warranty having a Material Adverse Effect on the Concessionaire's ability to perform its obligations under this Agreement and/or on the Project or having a Material Adverse Effect on the rights and/or obligations of the Implementing Agency hereunder or under the Implementing Agency Agreements in a manner that has a Material Adverse Effect on the Implementing Agency and is not cured within ninety (90) days of notice;

(d) except for the purpose of amalgamation or reconstruction (provided, that such amalgamation or reconstruction does not affect the ability of the amalgamated or reconstructed entity, as the case may be, to perform its obligations under this Agreement and further; provided, that such amalgamation has been agreed to by the Implementing Agency), the occurrence of any of the following events:

(i) the passing of a resolution for the dissolution or winding up of the Concessionaire;

(ii) the voluntary filing by the Concessionaire of a petition of bankruptcy, moratorium, winding up, or other similar relief;

(iii) the appointment of a provisional liquidator in a proceeding for the winding up of the Concessionaire after notice to the Concessionaire and due hearing, which appointment has not been set aside or stayed within one hundred and eighty (180) days of such appointment;

(iv) the making by a court with jurisdiction over the Concessionaire of an order winding up the Concessionaire that is not stayed or reversed by a court of competent authority within one hundred eighty (180) days; and/or

(v) any proceeding being validly instituted under the Applicable Laws for the dissolution of the Concessionaire or attachment of the Concession Assets in accordance with Applicable Laws that has a Material Adverse Effect and that is not stayed or suspended in ninety (90) days; provided, that, if, within seven (7) business days of the Concessionaire becoming aware of such proceedings being filed, the Concessionaire:

(A) confirms to the Implementing Agency that such proceedings relate to the recovery of a claim against the Concessionaire that is disputed bona fide by the Concessionaire as payable, and

(B) furnishes a certificate by the Independent Auditor to the effect that the Concessionaire is and shall remain solvent despite the payment of the claim subject to the said insolvency proceedings,

then, in such case, the Concessionaire Event of Default set forth in Section 21.1.1(d)(v) shall not constitute a Concessionaire Event of Default until such time that the said certificate by the

Independent Auditor is revoked or otherwise ceases to remain accurate;

(e) an Abandonment by the Concessionaire, without the prior written consent of the Implementing Agency, for a period of thirty (30) consecutive days or for an aggregate period of sixty (60) days during any Accounting Year; provided, however, that the Concessionaire shall not be deemed to have Abandoned the Concession Assets so long as it is using all reasonable efforts (as determined by the Independent Engineer) to regain control of the Concession Assets and reinstate its development and/or Operation and Maintenance, as applicable;

(f) termination of the Project Site Lease Agreement as a result of a material breach by the Concessionaire that is not remedied in accordance with the terms of the Project Site Lease Agreement;

(g) the Concessionaire has delayed any payment that has fallen due and payable under this Agreement and any of the Implementing Agency Agreements and if such delay exceeds sixty (60) days, save where such payment is duly Disputed by the Concessionaire in accordance with this Agreement;

(h) the exercise by the Financiers of their remedies under the Financing Documents with respect to either the assets comprising the Concession Assets or any shares pledged to the Financiers under the Financing Documents such that the Concessionaire or its management are removed by the Financiers from control of the Project or of the Concessionaire, and/or (ii) the failure by the Financiers (or the agent of the same) to comply with the Concession Direct Agreement;

(i) the right of the Implementing Agency to terminate the Agreement in accordance with Section 3.5.1.

21.2 IMPLEMENTING AGENCY EVENT OF DEFAULT

21.2.1 The following events shall constitute events of default by the Implementing Agency (the **Implementing Agency Event of Default**), unless the same has

occurred and / or results from a Concessionaire Event of Default or a Force Majeure Event:

(a) any Material Breach by the Implementing Agency of any Implementing Agency Agreement and the same has not been cured within forty-five (45) days from the date of written notice thereof by the Concessionaire, or within such time period as provided in the relevant Implementing Agency Agreement, respectively;

(b) any statement, representation or warranty made by the Implementing Agency in any Implementing Agency Agreement proving to have been incorrect, in any material respect, when made or when reaffirmed and such incorrect statement, representation or warranty having a Material Adverse Effect on the Concessionaire's ability to perform its obligations under this Agreement and/or on the Project;

(c) any termination, cancellation, resumption or revocation of the Concessionaire's interest established under the Project Site Lease Agreement in respect of the Project Site (otherwise than for a breach of the conditions of the Project Site Lease Agreement by the Concessionaire entitling such termination, cancellation, resumption or revocation);

(d) any change in any Applicable Laws:

(i) making unenforceable, invalid, or void any material undertaking of the Implementing Agency under the Implementing Agency Agreements; and/or

(ii) making:

(A) it unlawful for the Concessionaire, the Financiers or the Sponsors to make or receive any payment, to perform any material obligation or to enjoy or enforce any material right under any Implementing Agency Agreement (other than a Change in Law for which compensation is provided in accordance with this Agreement); or

(B) any payment, the performance of any material obligation or the enjoyment or enforcement of any material right unenforceable under any Implementing Agency Agreement, invalid or void as a result of any such change in Applicable Laws (other than a Change in Law for which compensation is provided in accordance with this Agreement);

(e) the expropriation, compulsory acquisition, or nationalization by the Implementing Agency or any Government Authority of: (i) any shares in the Concessionaire; or (ii) of any Concession Assets or rights of the Concessionaire;

(f) any change in, or any change in the interpretation of, any of the Applicable Laws (including the Constitution of Pakistan and any other Applicable Laws that gives effect to the injunctions of Islam, being in the case of a decision of a court, a decision which is no longer in suspense as a result of an appeal) from and after the date of this Agreement having the effect of making:

(i) unlawful, unenforceable, invalid, or void any material undertaking of the Implementing Agency under any Implementing Agency Agreement; or

(ii) unlawful for the Concessionaire to make or receive or the Financiers or the Sponsors to receive any payment (including interest or return), for the Concessionaire to perform any material obligation or to enjoy or enforce any material right under this Agreement or any other Project Agreement in relation to the Project; or

(iii) any such payment, the performance of any such material obligation or the enjoyment or enforcement of any such material right becoming unenforceable, invalid or void as a result of any such change in the Applicable Laws,

which in the case of (i) (ii) or (iii) above, has a continuing effect for more than one hundred and eighty (180) days without an arrangement being

provided to exempt the affected party from the effect of such Change in Law (other than a Change in Law for which compensation is provided in accordance with this Agreement);

(g) a Change in Law for which no relief is provided under this Agreement;

(h) the Implementing Agency or any Government Authority obstructs, hinders, or interferes with the performance of the Project Works or the enjoyment of the Concession Rights by the Concessionaire;

(i) the Implementing Agency fails to renew or maintain the Implementing Agency Financial Instrument in accordance with Article 16; or

(j) the Implementing Agency has delayed any payment that has fallen due and payable under this Agreement and/or any of the Implementing Agency Agreements and if such delay exceeds ninety (90) days, save where such payment is duly Disputed by the Implementing Agency in accordance with this Agreement and /or Implementing Agency Agreements; and

(k) the right of the Concessionaire to terminate the Agreement in accordance with Section 3.5.2.

22. TERMINATION

22.1 TERMINATION FOR CONCESSIONAIRE EVENT OF DEFAULT

22.1.1 Without prejudice to any other right or remedy which the Implementing Agency may have in respect thereof under this Agreement, upon the occurrence and continuation of a Concessionaire Event of Default, the Implementing Agency shall be entitled to Terminate this Agreement by issuing a Termination Notice to the Concessionaire; provided, that before issuing the Termination Notice, the Implementing Agency shall by a notice in writing inform the Concessionaire of its intention to issue the Termination Notice (the **Implementing Agency Preliminary Notice**).

22.1.2 In the event the underlying Concessionaire Event of Default is not cured within the Cure Period and the same is subsisting at the expiry of the Cure Period, the Implementing Agency shall be entitled to:

(a) Terminate this Agreement by issuing the Termination Notice upon expiry of the Cure Period; and

(b) encash the Development Performance Security or the O&M Performance Security, as applicable and in effect as such time, on or following the issuance of the Termination Notice.

22.1.3 The following shall apply in respect of Cure Period relating to a Concessionaire Event of Default:

(a) the Cure Period provided in this Agreement shall not relieve the Concessionaire from liability for damages (as expressly set out in this Agreement), if any, caused by its underlying breach or default giving rise to the Implementing Agency Preliminary Notice;

(b) the Cure Period shall not in any way be extended by any period of Suspension under this Agreement;

(c) during any period when any Financing Due is outstanding, the rights of the Parties and the Financiers during the pendency of the Cure Period shall be as set out in the Financing Documents.

22.1.4 Upon issuance of a Termination Notice by the Implementing Agency (following expiry of the Cure Period) on account of occurrence and continuation of a Concessionaire Event of Default during the Operations Period, the right of the Concessionaire to collect Project Revenues shall stand terminated, (unless otherwise required by the Financiers and set-out in the Concession Direct Agreement) with immediate effect and no Project Revenues shall accrue and/or be payable to the Concessionaire from the date of occurrence of the Concessionaire's receipt of the Termination Notice (unless otherwise required by the Financiers and set out in the Concession Direct Agreement).

22.1.5 In the event of Termination due to a Concessionaire Event of Default, the Implementing Agency shall pay to the Concessionaire on or prior to the Termination Payment Date, by way of Termination Payment, an amount equal to the Concessionaire Default Termination Amount.

22.2 TERMINATION FOR IMPLEMENTING AGENCY EVENT OF DEFAULT

22.2.1 Without prejudice to any other right or remedy which the Concessionaire may have in respect thereof under this Agreement, upon the occurrence and continuation of any of the Implementing Agency Event of Default, the Concessionaire shall by a notice in writing inform the Implementing Agency of its intention to issue the Termination Notice (the **Concessionaire Preliminary Notice**).

22.2.2 In the event the underlying Implementing Agency Event of Default is not cured by the Implementing Agency within the Cure Period and the same is subsisting at the expiry of the Cure Period, the Concessionaire shall be entitled to terminate this Agreement by issuing the Termination Notice upon expiry of the Cure Period.

22.2.3 In the event of Termination due to a Implementing Agency Event of Default, the Implementing Agency shall have the obligation to pay to the Concessionaire on or prior to the Termination Payment Date, by way of Termination Payment, an amount equal to the Implementing Agency Default Termination Amount.

22.3 TERMINATION FOR AN UNRESOLVED ADVERSE CARBON MARKET EVENT & TERMINATION FOR CORRUPT ACTS

22.3.1 In the event of an Adverse Carbon Market Event, if the Parties are unable to agree on a solution in accordance with Section 14, the Concessionaire may terminate this Agreement by issuing a Termination Notice to the other Party, whereupon this Agreement shall terminate on the date of termination specified therein, or such later date as the Parties may agree in writing. If the Agreement is terminated in accordance with this Section 22.3.7 (Termination For An Unresolved Adverse Carbon Market Event), Implementing Agency shall pay the Adverse Carbon Market Event Termination Amount.

22.3.2 The Concessionaire warrants that in entering into this Agreement it has not committed any Corrupt Act.

22.3.3 If any Corrupt Act is committed, then the Implementing Agency shall be entitled to act in accordance with the following provisions of this Section 22.4; provided, that at all times the Implementing Agency shall bear the burden of proof for establishing that a Corrupt Act has been committed:

(a) if the Corrupt Act is committed by the Concessionaire or any Associate of the Concessionaire, as the case may be, then in any such case, the Implementing Agency may issue a notice to the Concessionaire of its intent to issue a Termination Notice;

(b) if the Corrupt Act is committed by an employee of the Concessionaire, then in such case, the Implementing Agency may give written notice to the Concessionaire of its intention to issue a Termination Notice; provided, however, the Implementing Agency shall not be entitled to issue a Termination Notice in the event the Concessionaire, within forty-five (45) days of its receipt the Implementing Agency's notice stating its intention to issue a Termination Notice, terminates such employee's involvement in the Project and (if necessary) provides evidence to the Implementing Agency of the performance of any part of the Project deliverables previously performed by such employee by another person;

(c) if the Corrupt Act is committed by any other person not specified in sub-section (b) above but involved in the Project as a subcontractor or supplier to any Contractor or to the Concessionaire, then the

Implementing Agency may give notice to the Concessionaire of its intention to issue a Termination Notice; provided, however, that the Implementing Agency shall not be entitled to issue a Termination Notice in the event the Concessionaire, within thirty (30) days of its receipt the Implementing Agency's notice stating its intention to issue a Termination Notice, procures the termination of such person's involvement in the Project and (if necessary) procures the performance of the relevant contract and procures the performance of the relevant part of the Project Works by another person.

22.3.4 Any notice of intention to issue a Termination Notice by the GoS under this Section 22.4 shall specify:

(a) the nature of the Corrupt Act;

(b) the identity of the party or parties who the Implementing Agency believes has committed the Corrupt Act; and

(c) the date on which the Termination Notice shall be issued, which date shall be subject to the timelines provided in Section 22.3.3(b) and (e), as applicable.

22.3.5 Without prejudice to its other rights or remedies under this Section, the Implementing Agency shall be entitled to recover from the Concessionaire, the greater of:

(a) the amount or value of the gift, consideration or commission which is the subject of the Corrupt Act; and

(b) any direct losses (including Losses) sustained by the Implementing Agency in consequence of any breach of this Section by the Concessionaire.

22.3.6 Nothing contained in this Section shall prevent the Concessionaire from paying any proper commission or bonus to its employees within the agreed terms of their employment.

22.3.7 In the event of Termination due to a Corrupt Act in accordance with this Section 22.4, the Implementing Agency shall have the obligation to pay to the Concessionaire on or prior to the Termination Payment Date, by way of Termination Payment, an amount equal to the Corrupt Act Termination Amount.

22.4 TERMINATION PAYMENTS

22.4.1 The Termination Payment shall be payable to the Concessionaire by the Implementing Agency on or prior to the Termination Payment Date in accordance with a demand being made by the Concessionaire in writing, subject to the same being duly certified by the Independent Engineer and Independent Auditor.

22.4.2 The recipients of the Termination Payment shall be shareholders, provided however, for the purposes of calculating the Termination Payment, the term Equity shall exclude all amounts comprising injections to the Equity effected after Development Completion Date; if any Termination Payment (or any part thereof) becomes subject to any Tax (including corporate tax, capital gains tax, minimum tax or turnover tax), the Implementing Agency shall pay to the Concessionaire such additional amount (as determined by the Independent Auditor) as is necessary to ensure that the net amount received by the Concessionaire (after deduction or payment of such Tax) is equal to the total Termination Payment that would have been received had no such Tax been paid or incurred.

22.4.3 To the extent:

(a) the Termination Equity and/or Termination Dividend Amount is payable by the Implementing Agency to the Concessionaire upon Termination of this Agreement; and

(b) the Implementing Agency fails to make payment of such due and payable Termination Equity and/or Termination Dividend Amount (the **Unpaid Termination Equity Amount**) by the date falling fifty (50) days following the Termination Payment Date,

then, the Implementing Agency shall (in addition to the payment of the due and payable Unpaid Termination Equity Amount) make payment to the Concessionaire of late payment interest on the Unpaid Termination Equity Amount at the rate of Delayed Payment Rate, such interest commencing to accrue on the date falling fifty (50) days following the Termination Payment Date and ending on the actual date on which the Implementing Agency makes payment of the Unpaid Termination Equity Amount. The stipulation regarding additional amounts payable in respect of delayed Unpaid Termination Equity Amount contained in this Section 22.5.2 shall not be construed nor be deemed to authorize any delay in payment of any amount due to the Concessionaire nor be construed or deemed to be a waiver of the underlying breach of payment obligations, in each case, in the afore-stated circumstances.

22.5 MODE OF PAYMENT

22.5.1 Notwithstanding any instructions to the contrary issued or any dispute raised by the Concessionaire, the Termination Payment, and all other payments that are or may be payable by the Implementing Agency under any of the provisions of this Agreement shall, so long as the Financing Due is outstanding, be made only by way of credit directly to a bank account designated therefor by the Financiers and advised to the Implementing Agency and the Concessionaire in writing and in the event the Financing Due is not outstanding, to a bank account notified by the Concessionaire.

22.5.2 Notwithstanding anything to the contrary contained in this Agreement, any Termination pursuant to the provisions of this Agreement shall be without prejudice to accrued rights of either Party including its right to claim and recover money damages and other rights and remedies which it may have in law or contract. All rights and obligations of either Party under this Agreement, including without limitation Termination Payment, shall survive the Termination of this Agreement to the extent such survival is necessary for giving effect to such rights and obligations.

23. DIVESTMENT OF RIGHTS AND INTEREST

23.1 REQUIREMENTS FOR DIVESTMENT

23.1.1 In case of (as applicable):

(a) Termination of this Agreement prior to Final Expiry Date and subject to the Implementing Agency fully complying with all its obligations in respect of making Termination Payments on or prior to the Termination Payment Date; or

(b) one (1) year prior to expiry of this Agreement on the Final Expiry Date,

and subject in each case to the receipt by the Concessionaire of the full Termination Payment, Financing Due, and any other amounts payable by the Implementing Agency under this Agreement, the Concessionaire shall ensure complete compliance with the following requirements by the Transfer Date (the **Divestment Requirements**):

(a) Notify to the Implementing Agency forthwith the location and particulars of all Concession Assets;

(b) all Concession Assets shall be handed over on '*as is where is*' basis;

(c) comply with all other requirements as may be prescribed or required under Applicable Laws for completing the divestment and assignment of all rights, title and interest of the Concessionaire in the Concession Assets, unto the Implementing Agency or to its nominee.

23.1.2 The Implementing Agency may, in its sole discretion, waive any of the Divestment Requirements set forth in Section 23.1.1.

23.2 COOPERATION AND ASSISTANCE FOR TRANSFER OF THE CONCESSION ASSETS

23.2.1 The Parties shall cooperate on a best effort basis and take all necessary measures, in good faith, to achieve a smooth transfer of the Concession Assets in accordance with the provisions of this Agreement so as to protect the safety of and avoid undue delay or inconvenience to the users, other members of the

public or the lawful occupiers of any part of the Project Site and the Concession Assets.

23.2.2 The Parties shall provide to each other (as applicable):

(a) in case of Termination of this Agreement, two (2) months prior to the Termination Payment Date in the event of Termination and immediately in the event of either Party conveying to the other Party its intent to issue a Termination Notice, as the case may be; or

(b) in case of expiry of this Agreement on the Final Expiry Date, six (6) months prior to the Final Expiry Date,

as much information and advice as is reasonably practicable regarding the proposed arrangements for operation of the Project following the Transfer Date. The Concessionaire shall further provide such reasonable advice and assistance as the Implementing Agency, its appointed concessionaire or agent may reasonably require for operation of the Project until the Transfer Date.

23.3 VESTING CERTIFICATE

23.3.1 Subject to:

(a) in case of Termination of this Agreement, the Implementing Agency fully complying with all its obligations in respect of making Termination Payments on or prior to the Termination Payment Date; or

(b) expiry of this Agreement on the Final Expiry Date,

the divestment of all rights, title and interest in the Project shall be deemed to be complete on the Transfer Date, and the Independent Auditor and the Independent Engineer shall jointly, without unreasonable delay, thereupon issue a certificate (the **Vesting Certificate**) substantially in the form set forth in **SCHEDULE I** (***Form of Vesting Certificate***), which shall have the effect of constituting evidence of divestment by the Concessionaire of all of its rights, title and interest in the Concession Assets, and their vesting in the Implementing Agency pursuant hereto.

23.4 TRANSFER CONSIDERATION

23.4.1 The Parties agree that the Concession Assets shall be transferred to the Implementing Agency on the Transfer Date for a sum of (as consideration) PKR 1/- (Pakistani Rupees One only).

23.5 DIVESTMENT COSTS

23.5.1 The Implementing Agency shall bear and pay all applicable taxes, stamp duties, and charges incidental to the divestment and transfer of the Concession Assets, regardless of the reason for Termination or expiry.

23.5.2 In the event of any Dispute relating to matters covered by and under this Article 23 (*Divestment of Rights and Interest*), the Dispute Resolution Procedure shall apply.

24. DISCLAIMER

24.1 DISCLAIMER

24.1.1 The Implementing Agency hereby represents, warrants and covenants to the Concessionaire that the Implementing Agency has, after a complete and careful examination and due diligence, verified the accuracy, correctness, and completeness of the Concession, the RFP, the Scope of the Project, the Project Site, existing structures, local conditions, physical qualities of ground, subsoil and geology and all other information provided by the Implementing Agency (or on its behalf) to the Concessionaire. The Implementing Agency acknowledges that the Concessionaire has entered into this Agreement in reliance upon the accuracy and completeness of such information.

24.1.2 The Implementing Agency hereby acknowledges and accepts the sole and absolute risk of any inadequacy, mistake, error, or omission in or relating to any of the matters set forth in Section 24.1.1. The Implementing Agency agrees that the Concessionaire shall not be liable for any loss, damage, or delay resulting from such inadequacy, mistake, error, or omission.

24.1.3 Any mistake, error, or omission in the information referred to in Section 24.1.1 shall constitute a Relief Event, entitling the Concessionaire to: (a) an extension of the Time for Completion.

24.1.4 In the event that either Party becomes aware of any mistake or error relating to any of the matters set forth in sub-section 24.1.1 of this Section 24.1 (*Disclaimer*) above, such Party shall immediately notify the other Party, specifying the mistake or error; provided that any failure by the Concessionaire to provide such notice shall not relieve the Implementing Agency of its obligations or liabilities under this Article 24.

24.1.5 Notwithstanding anything to the contrary contained in this Agreement, all risks relating to the Concession Assets (including risks arising from the physical conditions of the Site, the Applicable Laws, or the design data provided by the Implementing Agency) shall be borne by the Implementing Agency, except to the extent such risks are directly caused by the gross negligence or wilful misconduct of the Concessionaire.

25. ASSIGNMENT AND CHARGES

25.1 RIGHT TO FINANCE AND CREATE SECURITY

25.1.1 Notwithstanding anything to the contrary contained in this Agreement (including any provisions relating to Assignment, Encumbrances, or Change in Control), the Concessionaire shall, at any time and from time to time, to: (a) arrange, procure, raise, draw down, and utilize Financing (including any additional financing, working capital facilities, or standby letters of credit) from any Financier(s) on such terms and conditions as the Concessionaire may deem fit; (b) refinance, replace, reschedule, restructure, novate, or amend any existing Financing or Financing Documents (including any increase in the principal amount, interest rates, or changes to repayment schedules); and (c) enter into, execute, and perform any Financing Documents in relation thereto.

25.1.2 The Implementing Agency shall facilitate the Concessionaire on best effort basis for any subsequent financing activity.

25.1.3 The Implementing Agency may consent and authorize the Concessionaire to create, perfect, and enforce any Encumbrance over: (a) the Concession Assets (limited to Project Works); (b) the Concessionaire's rights, title, and interest under this Agreement and the Project Agreements; (c) the Revenue Accounts (including the Offshore Revenue Account and Onshore Revenue Account) and all funds standing to the credit thereof; (d) the shares of the Concessionaire (including any pledge of shares by the Sponsors); and (e) any other assets, revenues, or rights of the Concessionaire, in each case, in favor of the Financiers (or their security agents/trustees) for the purposes of securing the Financing.

25.1.4 The Implementing Agency may on best effort basis, in due course of time of a written request by the Concessionaire, execute, deliver, and acknowledge any direct agreements, consent letters, or acknowledgment of security interests as may be reasonably required by the Financiers to perfect their security interest, provided that such documents shall not impose any financial liability on the Implementing Agency for the repayment of the Financing.

25.2 ASSIGNMENT BY THE IMPLEMENTING AGENCY

25.2.1 Notwithstanding anything to the contrary contained in this Agreement or any other Implementing Agency Agreement, the Implementing Agency shall not assign and/ or transfer any of its rights and benefits and/or obligations under this Agreement or any Implementing Agency Agreement to an assignee or any Person.

26. DISPUTE RESOLUTION

26.1 DISPUTE RESOLUTION

26.1.1 Any dispute, difference or controversy of whatever nature howsoever arising under or out of or in relation to this Agreement (including its interpretation) between the Parties, and so notified in writing by either Party to the other Party (the **Dispute**) shall, in the first instance, be attempted to be resolved amicably in accordance with the conciliation procedure set forth in Section 26.2 (*Conciliation*).

26.1.2 The Parties agree to use their best efforts for resolving all Disputes promptly, equitably and in good faith, and further agree to provide each other with reasonable access during normal business hours to all non-privileged records, information and data pertaining to any Dispute.

26.2 CONCILIATION

26.2.1 In the event of any Dispute between the Parties, either Party may call upon the Independent Engineer and/or the Independent Auditor, as the case may be, to mediate and assist the Parties in arriving at an amicable settlement thereof. Failing mediation by the Independent Engineer and/or the Independent Auditor as the case may be, either Party may request their departmental heads to meet to resolve such Dispute. In the event the Parties are unable to resolve the matters through conciliation, within thirty (30) days of commencement of the conciliation process in terms of this Section 26.2.1, either Party may refer the Dispute to arbitration in accordance with the provisions of Section 26.3 (*Arbitration*).

26.3 ARBITRATION

26.3.1 Any Dispute which is not resolved amicably by conciliation, as provided in Section 26.2 (*Conciliation*), shall be finally decided by reference to arbitration by a board of arbitrators (the **Board of Arbitrators**) appointed in accordance with Section 26.3.3. Such arbitration shall be held in accordance with the provisions of the Arbitration Act.

26.3.2 The venue and seat of such arbitration shall be Quetta.

26.3.3 There shall be a Board of Arbitrators consisting of three (3) arbitrators, of whom each Party shall select one, and the third arbitrator shall be appointed by the two (2) arbitrators so selected, and in the event the two (2) arbitrators are unable to agree on the third arbitrator, then the same shall be appointed in accordance with the Arbitration Act.

26.3.4 The arbitrators shall make a reasoned award (the **Award**). Any Award made in any arbitration held pursuant to this Article 26 (*Dispute Resolution*) shall be final and binding on the Parties as from the date it is made, and the Concessionaire and the Implementing Agency agree and undertake to carry out such Award without delay.

26.3.5 The Concessionaire and the Implementing Agency agree that an Award may be enforced against the Concessionaire and/or the Implementing Agency, as the case may be, and their respective assets wherever situated.

26.3.6 This Agreement and the rights and obligations of the Parties shall remain in full force and effect, pending the Award in any arbitration proceedings hereunder.

27. MISCELLANEOUS

27.1 GOVERNING LAW AND JURISDICTION

27.1.1 This Agreement shall be construed and interpreted in accordance with and governed by the laws of Pakistan and the courts of appropriate jurisdiction in the Province of Balochistan shall have the exclusive jurisdiction over all Disputes or matters arising out of or relating to this Agreement.

27.2 WAIVER

27.2.1 Waiver by either Party of any default by the other Party in the observance and performance of any provision of or obligations or under this Agreement:

(a) shall not operate or be construed as a waiver of any other or subsequent default hereof or of other provisions or obligations under this Agreement;

(b) shall not be effective unless it is in writing and executed by a duly authorized representative of such Party; and

(c) shall not affect the validity or enforceability of this Agreement in any manner.

27.2.2 Neither the failure by either Party to insist on any occasion upon the performance of the terms, conditions and provisions of this Agreement or any obligation thereunder nor time or other indulgence granted by a Party to the other Party shall be treated or deemed as waiver of such breach or acceptance of any variation or the relinquishment of any such right hereunder.

27.3 AMENDMENTS

27.3.1 This Agreement and the Schedules together constitute a complete and an exclusive statement of the terms of this Agreement between the Parties on the subject hereof and no amendment or modification hereto shall be valid and effective unless agreed to by all the Parties hereto and evidenced in writing.

27.4 NOTICES

27.4.1 Unless otherwise stated, notices to be given under this Agreement including but not limited to a notice of waiver of any term, breach of any term of this Agreement and Termination of this Agreement, shall be in writing and shall be given by hand delivery, recognized international courier, mail, telex or facsimile transmission and delivered or transmitted to the Parties at their respective addresses set forth below in **SCHEDULE J** (***Notices***) or such address, telex number, or facsimile number as may be duly notified by the respective Parties from time to time, and shall be deemed to have been made or delivered (a) in the case of any communication made by letter, when delivered by hand, by recognized international courier or by mail (registered, return receipt requested) at that address and (b) in the case of any communication made by telex or facsimile, when transmitted properly addressed to such telex number or facsimile number.

27.5 SURVIVAL

27.5.1 Termination of this Agreement (a) shall not relieve the Concessionaire or the Implementing Agency of any obligations hereunder which expressly or by implication survives Termination hereof, and (b) except as otherwise provided in any provision of this Agreement expressly limiting the liability of either Party, shall not relieve either Party of any obligations or liabilities for loss or damage to the other Party arising out of or caused by acts or omissions of such Party prior to the effectiveness of such Termination or arising out of such Termination.

27.6 CONFIDENTIALITY

27.6.1 Each of the Parties and their Contractors (including the Concessionaire Engaged Persons), subcontractors, consultants, employees and agents and each of their respective successors and permitted assigns shall hold in confidence all documents and other information, whether technical or commercial, supplied to it by or on behalf of the other Party, relating to the development, insurance, Operation and Maintenance, transfer, management and Financing of the Concession Assets, and all information and documents obtained in accordance with the terms of the Implementing Agency Agreements, and shall not, without the consent of the other Party, save as required by Applicable Laws or appropriate regulatory authorities, prospective lenders to, or investors in the Concessionaire and their professional advisers, publish or otherwise disclose or

use the same for its own purposes otherwise than as may be required to perform its obligations under this Agreement. Notwithstanding the above, nothing herein contained shall preclude the use of provisions similar to those contained in the Implementing Agency Agreements and the other agreements referred to herein and in agreements prepared and issued or to be prepared and issued in connection with other projects by the Implementing Agency.

27.6.2 The provisions hereabove shall not apply to:

(a) any information in the public domain otherwise than by breach of this Agreement or any other Implementing Agency Agreement;

(b) information in the possession of the receiving Party thereof before divulgence as aforesaid, and which was not obtained under any obligation of confidentiality.

27.7 SEVERABILITY

27.7.1 If for any reason whatever any provision of this Agreement is or becomes invalid, illegal or unenforceable or is declared by any court of competent jurisdiction or any other instrumentality to be invalid, illegal or unenforceable, the validity, legality or enforceability of the remaining provisions shall not be affected in any manner, and the Parties shall negotiate in good faith with a view to agreeing upon one or more provisions which may be substituted for such invalid, unenforceable or illegal provisions, as nearly as is practicable.

27.8 NO PARTNERSHIP

27.8.1 Nothing contained in this Agreement shall be construed or interpreted as constituting a partnership between the Parties. Neither Party shall have any authority to bind the other in any manner whatsoever.

27.9 LANGUAGE

27.9.1 All notices required to be given under this Agreement and all communications, documentation and proceedings which are in any way relevant to this Agreement shall be in writing and in English language.

27.10 EXCLUSION OF IMPLIED WARRANTIES

27.10.1 This Agreement expressly excludes any warranty, condition or other undertaking implied at law or by custom or otherwise arising out of any other agreement (except the Implementing Agency Agreements) between the Parties or any representation by any Party not contained in a binding legal agreement executed by the Parties.

27.11 COUNTERPARTS

27.11.1 This Agreement shall be executed in two counterparts, each of which when executed and delivered shall constitute an original of this Agreement.

27.12 SET-OFF

27.12.1 The Implementing Agency shall have the right to withhold and set-off against any amount it is liable to pay to the Concessionaire hereunder, the amount of any payment due to the Implementing Agency from the Concessionaire under this Agreement.

27.13 INDEPENDENCE

27.13.1 In respect of all matters dealing with the Agreement, the Independent Engineer and the Independent Auditor shall be independent and shall ensure that it performs all its obligations in accordance with their respective terms of reference and this Agreement.

27.14 ENTIRE AGREEMENT

27.14.1 The Parties hereto acknowledge, confirm and undertake that this Agreement (and Implementing Agency Agreements, as applicable), as at the date hereof, constitutes the entire understanding between the Parties regarding the Project and supersedes all previous written and/or oral representations and/or arrangements regarding the Project.

27.15 PROJECT STEERING COMMITTEE

27.15.1 The project steering committee (the "PSC") shall be notified by the Implementing Agency and shall be responsible for the overall support, supervisory direction, performance monitoring, implementation supervision and strategic guidance for the Project under this Agreement.

27.15.2 The PSC shall be chaired by the Secretary, Forest & Wildlife Department with a member each from the Co-Implementing Agency, the Local Deputy Commissioner, the Concessionaire, and a member from the Civil Society. The PSC may invite other external experts to attend its meetings for inputs, as deemed necessary for the strategic oversight of the project.

27.15.3 The PSC shall meet on regular basis, at least quarterly, and as required to discuss the progress of the Project, resolve any outstanding issues, review and approval of additional works, and overall oversight of the Project.

LIST OF SCHEDULES

SCHEDULE A – SCOPE OF THE PROJECT
SCHEDULE B – PROJECT FACILITIES
SCHEDULE C – PROJECT IMPLEMENTATION COMPLETION SCHEDULE
SCHEDULE D – PROJECT SITE
SCHEDULE E – INSURANCES (PART I– DEVELOPMENT PERIOD INSURANCES)
SCHEDULE E – INSURANCES (PART II– OPERATION PERIOD INSURANCES)
SCHEDULE F – CORPORATE DOCUMENTS
SCHEDULE G – FORM OF O&M PERFORMANCE SECURITY
SCHEDULE H – PART I– INDICATIVE INDEPENDENT AUDITOR TERMS OF REFERENCE
SCHEDULE H – PART II– INDICATIVE INDEPENDENT ENGINEER TERMS OF REFERENCE
SCHEDULE I – FORM OF VESTING CERTIFICATE
SCHEDULE J – NOTICES
SCHEDULE K – TERMINATION PAYMENTS

SCHEDULE E – INSURANCES

PART I – DEVELOPMENT PERIOD INSURANCES

As mutually agreed between the Parties prior to the Commencement Date.

PART II – OPERATIONS PERIOD INSURANCES

As mutually agreed between the Parties prior to the Commencement Date.

SCHEDULE F – CORPORATE DOCUMENTS

1. GENERAL ROLE

(a) The Independent Auditor shall:

(i) perform the role of the Independent Auditor as contemplated under the Agreement.

(ii) co-operate with other parties to the Agreement in respect of matters relating to the Independent Auditor for the purposes of, *inter alia*, facilitating implementation of the Project.

(iii) review the documents relating to the Works delivered by the Concessionaire pursuant to the Agreement, in its capacity as the Independent Auditor.

(iv) co-ordinate and liaise with the Independent Engineer in respect of matters which require the Independent Engineer's input for the performance of services in accordance with the Agreement.

(v) prepare, review and issue (in accordance with the Agreement) all documents relating to the Works contemplated to be prepared, reviewed and/or issued by the Independent Auditor.

(vi) as and when requested or required, consult with the parties to the Agreement and/or any other relevant stakeholders of the Project for the performance of services detailed in the Agreement and request (where available and applicable) any document relating to the Works which is of a financial nature and is be required by the Independent Auditor to perform its services as required under the Agreement.

(vii) assist the GoB, the Concessionaire and Financiers on financial matters that arise from time to time.

(viii) all the matters contained in any of the Independent Auditor's reports / letters will be made in good faith and on the basis of the information available to the Independent Auditor at the time of such report / letters. The Independent Auditor will mention key basis used in the relevant matters in all of its reports/letters. It will be the Concessionaire's and GoB's

responsibility to evaluate whether such basis is appropriate for its purposes under the Agreement.

(ix) to follow a system of periodic reports in such frequency and formats as determined by the Concessionaire and the GoB.

(b) The Independent Auditor shall not be involved in day-to-day supervision and will rely on the Independent Engineer's monitoring and certifications of different milestones achieved under the Agreement, including the Critical Project Milestones.

2. ROLE DURING CONSTRUCTION AND OPERATION PHASE

(a) Monitor financial progress against anticipated programme included in the Financial Model.

(b) Review proposed changes in the Financial Model / budget and their consequences on the costs of the Project.

(c) To monitor and assist in the Financial Close of the Project.

(d) Evaluate and endorse calculations prepared by the Concessionaire in relation to amounts to be paid to the Concessionaire upon occurrence of certain events (including Force Majeure Events, Termination, Event of Default and other events as set out in the Agreement).

(e) Issue certifications to facilitate disbursement of funding from stakeholders with respect to expenditures in accordance with the Financial Model and the Agreement.

(f) In respect of the occurrence of a Force Majeure event in accordance with the provisions of the Agreement, the Independent Auditor shall consult with the Concessionaire and the GoB in order to determine the amount of resultant compensations, if any, in accordance with the provisions of the Agreement and issue necessary certifications in this respect.

(g) In respect of the occurrence of a termination event in accordance with the provisions of the Agreement, the Independent Auditor shall consult with the Concessionaire, the GoB and Financiers in order to determine the amount of

resultant compensations, if any, in accordance with the provisions of the Agreement and issue necessary certifications in this respect.

(h) Certify and/or analytically determine the amount of revenues generated during a calendar year and determine revenue sharing with the GoB as per the Agreement.

1. GENERAL

The Independent Engineer shall, in principle be responsible to oversee, the development, design, engineering, construction, commissioning and operation of the Afforestation areas and other decided facilities including reviewing and approving the designs, specifications and documents submitted by the Concessionaire, the observation of the progress of the Works, the review of the progress reports and the issuance of certificates under the Agreement.

The Independent Engineer shall supervise to ensure that the requirements of the Agreement and its various schedules, other than those mentioned for Independent Auditor, are met by the Concessionaire and in case of any discrepancy / deviations, the Independent Engineer shall inform the GoB and the Concessionaire. The responsibility of the Independent Engineer during various phases of design review, construction and operation and maintenance shall include but not be limited to the following.

2. ROLE OF THE ENGINEER DURING THE DESIGN REVIEW PHASE

(a) Review and approve the adequacy of all surveys, investigations and studies to be undertaken for the Works.

(b) Review and approve the design and construction drawings prepared and submitted by the Concessionaire to the Independent Engineer for the construction of various components of the Project while focusing on:

(i) Adequacy, completeness, optimality and capability of design to perform as required in anticipated operating conditions and to meet the technical requirements specified in this Agreement.

(ii) Identification of Project design features or any major equipment component that does not appear to meet design, performance requirements or fails to adhere to good engineer practice.

(iii) Provide an opinion on the quality of the design with respect to its effect on the anticipated service life of the Project, the degree of maintenance needed to meet performance requirements and long-term availability over the term of the concession.

(c) Review and approve reports prepared and submitted by the Concessionaire (if any), with respect to the Works and the Project.

(d) Review and approve the implementation schedule of the Project submitted by the Concessionaire and determine that adequate provisions have been made.

(e) Review and approve the capability of the Works to perform as required in anticipated operating conditions.

(f) Review and approve the operation and maintenance during the Term of the Agreement.

(g) Review the Applicable Permits, the available permits and/or the permit applications.

(h) Review the procedures the Concessionaire has in place for the protection of the environment at and surrounding the Site.

(i) Review and comment on the Utilities arrangement for the Project, including, but not limited to the water supply, gas supply, electricity supply and telephone line.

(j) Review and approve the adequacy and reasonableness of the Project co-ordination and monitoring systems.

(k) Review quality assurance and quality control provisions during the design, and construction, operation and maintenance phase:

(i) Independent Engineer is required to prove due diligence in ensuring that quality control provisions are maintained at all times during the construction and operations phase; and

(ii) Independent Engineer will be responsible to report to the GoB/ Financiers in case the quality standards and quality control provisions are not adhered to at the Project Site.

(l) Audit the safety of the Works during the construction and operations of the Project.

3. ROLE OF INDEPENDENT ENGINEER DURING CONSTRUCTION AND OPERATION

(a) The duties of the Independent Engineer are to supervise the works and to approve the materials and workmanship of the Works. The Independent Engineer shall have no authority to relieve the Concessionaire of any of its duties or to impose additional obligations.

(b) The Independent Engineer shall review the works program prepared the Concessionaire.

(c) The Independent Engineer shall review the results of testing (if any is conducted), may order special tests of materials and / or completed Works, and / or order removal and substitution of substandard material and / or Works as required.

(d) The Independent Engineer shall review quality assurance and quality control during the construction and operation of the Project.

(e) The Independent Engineer shall ensure that the Works are completed in accordance with the applicable standards.

(f) The Independent Engineer shall identify delays in the Project Schedule (if any) and recommend to the GoB / Financiers the remedial measures to expedite the progress.

(g) Review the safety measures provided for all persons entitled to be on the Site in relation to the Works, all Concessionaire's Equipment and temporary works and structures and for the safety of all personnel entitled at the Site.

(h) Determine any extension of the Project Schedule, to which the Concessionaire is entitled and shall notify the GoB / Financiers, accordingly.

(i) Review compliance by the Concessionaire of its obligations under the Agreement.

(j) Issue the Completion Conditions Certificate after confirming that the Completion Conditions have been satisfied by the Concessionaire in accordance with this Agreement or inform the Concessionaire in writing (with a copy to GOB and Independent Auditor) that the Completion Conditions have not been completed to the Independent Engineer's satisfaction and the steps required to be undertaken by the Concessionaire to complete the Completion Conditions.

(k) As applicable, review and approve the operation and maintenance manual(s) prepared by the Concessionaire for their completeness and compatibility with those of similar facilities.

(l) Recommend necessary actions to the GoB / Financiers to undertake maintenance obligations of the Concessionaire at risk and cost of the Concessionaire in the event of the Concessionaire's failure to carry out the Works.

(m) Review and inspect the Works at all reasonable times and upon reasonable notice to the Concessionaire and issue a report of such inspections to the Concessionaire, GoB and the Financiers.

4. OTHER FUNCTIONS OF THE INDEPENDENT ENGINEER

(b) Verify and ascertain evidence of insurance cover as provide in the Agreement.

(c) Perform functions in respect of change of scope of Works as provided in the Agreement.

SCHEDULE I – FORM OF VESTING CERTIFICATE

SCHEDULE J – NOTICES

1. IMPLEMENTING AGENCY:

Attention:

Address:

Phone:

2. CONCESSIONAIRE:

Attention:

Address:

Phone:

SCHEDULE K – TERMINATION PAYMENT

SR. NO.	TERMINATION PAYMENT AMOUNT	COMPENSATION PAYABLE BY IMPLEMENTING AGENCY
1.	Non-Political Event Termination Amount	(a) [•]
2.	Political Event Termination Amount	(a) [•]
3.	Concessionaire Default Termination Amount	(a) [•]
4.	Implementing Agency Default Termination Amount	(a) [•]
5.	Corrupt Act	(a) [•]
6.	Adverse Carbon Market Event Termination Amount	(a) [•]
7.	Termination Due To Insufficient Insurance (Section 20.5.3)	(a) [•]
8.	Change in Law Termination Amount	(a) [•]

SCHEDULE K – KEY PERFORMACE INDICATORS

[to be finalized during the negotiation phase]

The Key Performance Indicators (KPIs) are to be developed tentatively on the following performance areas relevant to the scope of this project:

1. Development, registration and implementation of the carbon market ARR project, inclusive of engagements with VVBs and relevant stakeholders such as MoCC&EC

2. Ensure the delivery of a high-quality and high-integrity carbon market project aligned with global best practices and cognizant of climate, community and biodiversity, ensuring a robust and transparent MRV framework

3. Improved mangrove cover and carbon sequestration across project sites, including measurable progress on improved biodiversity and ecological health

4. Carbon credit production and sale through emission sequestration enabled by the ARR carbon market project;

5. Utilization of local labour for ARR project activities from the villages residing across project sites in Balochistan to the extent of - percent (-%) of total labour;

6. Acquisition of FPIC from local communities, ensuring a coordinated effort;

7. Development of an equitable and inclusive benefit-sharing mechanism for local communities, prioritizing socio economic uplift of the local community by provisioning of green jobs in project activities, improved basic facilities and services such as health and educational facilities, and training and capacity-building for sustainable forest management, development of alternative forms of revenue, and more;

8. Improved socio-economic indicators across local communities, specifying attained progress and achievements in terms of poverty reduction, job creation, livelihood generation and pathway development, and more;

9. Delivery of capacity-building and training benefits to stakeholders including local communities and relevant public departments such as the Balochistan

Forest & Wildlife Department on improved and sustainable forest management, and more;

10. Transparent and collaborative governance and implementation process for the project, ensuring disclosure of all relevant information; and

11. Leverage and integrate innovative tools and resources to improve the project quality and impact.

SIGNATURE PAGE

IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be executed on the day, month and year first above mentioned.

AS THE IMPLEMENTING AGENCY

For and on behalf of
FOREST AND WILDLIFE DEPARTMENT,
[•]
through its authorised signatory } SIGNATURE

Name:
Designation: .....

Name:
Designation: .....

in the presence of
WITNESSES: SIGNATURE

1- Name:
Address:
CNIC / Passport No: .....

2- Name:
Address
CNIC / Passport No: .....

AS THE CO-IMPLEMENTING AGENCY

For and on behalf of
BALOCHISTAN PUBLIC PRIVATE PARTNERSHIP AUTHORITY,
[•]
through its authorised signatory

SIGNATURE

……..

Name:
Designation:

Name: ……..
Designation:

SIGNATURE

in the presence of
WITNESSES:

1- Name:
Address: ……..
CNIC / Passport No:

2- Name:
Address ……
CNIC / Passport No:

AS THE CONCESSIONAIRE

For and on behalf of **[•]** through its authorised signatory

Name:
Designation:

SIGNATURE

……..

in the presence of
WITNESSES:

SIGNATURE

1- Name:
Address:
CNIC / Passport No:

……..

2- Name:
Address
CNIC / Passport No:

……