



Universal Service Fund

(A company setup under Section 42 of the Companies Ordinance 1984)

REQUEST FOR APPLICATIONS
TO PROVIDE
UNIVERSAL SERVICE FUND TELECOMMUNICATIONS SERVICES

Project ID: RTeS/Lot05-Kalat/2009

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USFCo
Request for Applications to provide
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- Annex 6** Draft of Proposed USF Services and Subsidy Agreement
- Annex 7** Dispute Resolution Terms
- Annex 8** Tentative Time Schedule & Correspondence Contact

¹ Only applicable if Project is financed by World Bank.

Part I Introduction

1. Purpose of the RFA Process

- 1.1 All telecommunications licences issued by the Pakistan Telecommunications Authority (“PTA”) subsequent to the *De-Regulation Policy 2003* and the *Mobile Cellular Policy 2004* provide for contribution by licensees to a Universal Service Fund (“USF”).
- 1.2 The purpose of this Request for Applications (“RFA”) is to invite holders of such licences (“USF Contributors”) to submit Proposals, either individually or as part of a consortium, for providing voice telephony and Internet services, including access networks and public access points (“USF Services”), to defined regional areas (“USF Areas”) in Pakistan pursuant to a 10 year USF Services and Subsidy Agreement.
- 1.3 This RFA is part of a universal service program initiated by the Government of Pakistan (“GoP”), which is aimed at increasing access to telecommunications networks and services in unserved and under-served areas of Pakistan in a manner consistent with fair competition, international best practices, and existing sector policies and GoP commitments.
- 1.4 GoP has created a not-for-profit federal Government owned and controlled Universal Service Fund company (“USFCo”) to administer the USF, including the process initiated by this RFA (“RFA Process”). It is GoP’s intent that USFCo apply part of the USF toward payment of subsidy (the “USF Subsidy”) to be paid pursuant to the USF Services and Subsidy Agreement to assist in meeting the costs of constructing and operating the USF Network in the USF Areas.
- 1.5 Further information on the proposed USF Services, USF Network and USF Areas is set out in this RFA.
- 1.6 It is the intention of GoP to act quickly to implement its policy of extending access to telecommunications networks and services in unserved and under-served areas in Pakistan.

2. Source of Funds

- 2.1 Pursuant to Section 33A of the Act, the sources of funding USF shall consist of
 - (a) grants made by the Federal Government and the Provincial Governments;
 - (b) prescribed contribution by licensees;

- (c) sale proceeds from the auction of the right to use radio spectrum;
 - (d) loans obtained from the Federal Government; and
 - (e) grants and endowments received from other agencies.
- 2.2 The GoP (the “Borrower”) has applied for a loan (hereinafter called the “Loan”) from the International Bank for Reconstruction and Development or from the International Development Association (hereinafter called “the Bank”) toward the cost of the Rural Telecommunications and e-Services Project, and the Borrower intends to apply a part of the proceeds of the Loan to eligible payments under the Contract for which these bidding documents are issued.
- 2.3 Payments by the Bank under the Loan will be made only at the request of GoP and upon approval by the Bank in accordance with the terms and conditions of the Loan Agreement, and will be subject in all respects to the terms and conditions of the Loan Agreement. The Loan Agreement prohibits a withdrawal from the Loan account for the purpose of any payment to persons or entities, or for any import of equipment, plant, or materials, if such payment or import, to the knowledge of the Bank, is prohibited by a decision of the United Nations Security Council taken under Chapter VII of the Charter of the United Nations. No party other than the GoP shall derive any rights from the Loan Agreement or have any claim to the Loan proceeds.

3. **Current Legal, Regulatory, and Market Regime**

- 3.1 Before 1996, Pakistan’s telecommunications markets were governed by the *Telegraph Act, 1885* and *Wireless Telegraphy Act, 1993*. Most telecommunications services were provided by the GoP’s Telegraph and Telephone Department. That Department was converted into a statutory corporation in 1990 as the Pakistan Telecommunication Corporation (“PTC”) and later in 1996 it was converted into a public limited company Pakistan Telecommunication Company Limited (“PTCL”). Competitive mobile telephone service was launched in 1991. Payphone service was launched in 1993. But of these competitors, only PTC and then PTCL had a formal duty to serve cities, towns, villages and Muzas in all areas of Pakistan.
- 3.2 Additional mobile, Wireless Local Loop (WLL), fixed-line Local Loop (“LL”) and Long Distance International (“LDI”) licensing since 2004 has increased competition substantially. Use of telecommunications services has expanded rapidly in this increasingly competitive environment. More than twenty-six providers offer voice telephony services in Pakistan. Mobile subscriber ship has grown from 70,000 in 1996 to about 96.70 million by November 2009. Fixed and WLL subscriber ship increased to nearly 06.24 million by November 2009.

Combined teledensity rose from 2.3 per 100 in 2002 to 62.93 by November 2009, with mobile service penetration reaching 59.03%.

- 3.3 The *Mobile Cellular Policy (2004)* and *Pakistan Telecommunications (Re-organisation) (Amendment) Act, 2006* require that PTCL and all mobile licensees provide significant geographic coverage. Yet, in rural areas, teledensity is significantly lower than teledensity in urban areas. Making telecommunications services available country-wide is a GoP priority.
- 3.4 In a competitive sector, it is not appropriate to impose universal service obligations on a single operator. Accordingly, the *De-Regulation Policy (2003)* at section 5, the *Mobile Cellular Policy (2004)* at section 8, and the *Pakistan Telecommunications (Re-organisation) Act, 1996* at section 33A require that PTCL and all subsequent fixed and mobile licensees pay into the USF.
- 3.5 Persons who enter into a USF Services and Subsidy Agreement as a result of the RFA Process (“USF Service Providers”) will receive a subsidy payment from the USF to extend telecom services by using Renewable Energy Solutions as a source of power, to rural areas, increasing rural teledensity. The amount of the USF subsidy payment will be established in accordance sections 12 and 43 of this RFA. The subsidy payment will be made in one or more instalments in accordance with the USF Services and Subsidy Agreement.
- 3.6 In addition to the USF Capex Subsidy, USF shall also provide USF Opex Subsidy for backhauling (e.g., Satellite, terrestrial Media etc.) only, for a maximum period of upto three years. . USF Opex Subsidy for backhaul services shall be payable on bi-annual basis starting from Final Implementation Date as mentioned in Schedule D of USF Services and Subsidy Agreement . USF Service Provider shall be entitled to get Opex Subsidy for Backhaul upto 75% of the total cost of backhaul for first year, upto 50% of the total cost of backhaul for second year and upto 25% of the total cost of backhaul for third year as proposed by the Service Provider in the USF Subsidy Proposal Form at Annex 1 of this RFA.
- 3.7 In case of force majeure, payment for the backhaul subsidy for the sites delayed by force majeure will start from the Revised Final Implementation Date (Original Final Implementation Date + Extension due to force majeure)
- 3.8 Backhaul costs during the commissioning/audit phase of the project will be borne by the USF SP.

4. **USF Policy**

- 4.1 The *Universal Service Fund Policy* (“USF Policy”) is the policy framework guiding the RFA Process. It sets out goals, objectives, and guidelines for using USF funding to meet certain basic telecommunication and ICT services needs in areas of Pakistan which would otherwise remain unserved.
- 4.2 The USF Policy’s goals include making voice telephony and Internet access data services available and affordable to progressively greater proportions of Pakistan’s rural population.
- 4.3 The USF Policy’s objectives for 2010 include 85% coverage of the country’s population (and therefore access to service if desired), and a preference for one telecentre per 5,000 people, with a minimum target of one telecentre per 10,000 people in USF Areas. This RFA and similar USFCo initiatives are intended to meet these objectives by introducing service in defined USF Areas.
- 4.4 The USF Policy will guide the actions of USFCo in administering the Universal Service Fund. That administration includes the use of the USF Services and Subsidy Agreement, with compliance monitoring and penalties for non-performance, including forfeiture of bank guarantees. Technological features of the USF Policy include technological neutrality, an emphasis on shared access points, and mandated infrastructure sharing to facilitate multiple operators in the same area. Economic features include capping USF service prices at nationally available retail prices, and a “negative auction” RFA Process to use bidding competition among licensees to minimize the amount of any particular USF Subsidy, and to maximize overall benefits from the fund. Together, these features establish a USF regime to extend telecommunications services to rural locations in a sustainable manner consistent with fair competition.

5. **USF Coverage Requirements**

The geographic locations that are the subject of this RFA and related USF Subsidy (the “USF Areas”) are identified in detail in Schedule C of the USF Services and Subsidy Agreement enclosed as Annex 6. Applicants must demonstrate that the USF Networks they propose provide service coverage to all of the cities, towns, villages or Muzas identified in Schedule C of the USF Services and Subsidy Agreement as being mandatory for USF Network and USF Service coverage.

6. **USF Service Requirements**

The service requirements to be met by the successful Applicant selected pursuant to this RFA are identified in Schedules A and B of the USF Services and Subsidy Agreement enclosed as Annex 6.

7. **USF Contributors and Eligibility**

- 7.1 Persons whose Local Loop (“LL”) Wireless Local Loop (“WLL”), Long Distance and International (“LDI”) or Telecommunication Infrastructure Provider (“TIP”) Licence was issued after adoption of the *Deregulation Policy (2003)*, and persons whose mobile cellular licence was issued or renewed after adoption of the *Mobile Cellular Policy (2004)*, (collectively, “USF Contributors”) have an obligation to contribute 1.5% of annual gross revenues to the Universal Service Fund, less inter-operator fees and related payments mandated by the PTA or Frequency Allocation Board (“FAB”).
- 7.2 Any other licensee who has had its licence issued, re-issued or amended to include Universal Service Fund contribution payment requirements will, on satisfaction of those requirements, be recognized as a USF Contributor as well.
- 7.3 Eligibility to participate in the RFA process is limited to USF Contributors under the Universal Service Fund Rules, 2006 (the “Rules”)².
- 7.4 Rule 24(12) sets out the following further restriction:

No single licensee may accumulate more than fifty per-cent of the total amount of USF subsidies awarded by the USF Company in multiple auctions. The period during which a licensee’s accumulation and proportion of USF subsidy amounts will be defined in guidelines or statements of auction procedures to be issued by the USF Company from time to time.

Detailed guidelines to Rule 24(12) are available at USF website www.usf.org.pk.

8. **Tentative Time Schedule**

- 8.1 The tentative timetable for the RFA events, beginning with publication of the pre-auction notice, is set out in Annex 8 of RFA.

9. **Project Administration and Correspondence**

- 9.1 Nominated Contact for all correspondence relating to this RFA is provided in Annex 8 of this RFA.

End of Part I

² See Rule 24(12) of the USF Rules 2006 as amended.

Part II

Rights and Obligations of USF Service Provider

10. **Exclusivity**

A USF Service Provider will not have any exclusive rights to provide USF Services in the USF Areas.

11. **Roll-out of USF Network and Supply of USF Services**

The USF Network shall be constructed and otherwise rolled out in accordance with the Project Implementation Milestones equipped with Renewable Energy Solutions, providing service coverage to all cities, towns, villages or Muzas identified in Schedule C of the USF Services and Subsidy Agreement as being mandatory for USF Network and USF Service coverage. Once the USF Network has been rolled out, the USF Services shall be supplied by the USF Service Provider in accordance with the USF Services and Subsidy Agreement.

12. **USF Subsidy Payments**

In order to promote GoP's policy of expanding telecommunications services and access in unserved areas, a USF Subsidy shall be paid to the USF Service Provider to help meet the capital costs of rolling out the USF Network and operational costs for backhauling the USF Network. The USF Subsidy payments shall be made in accordance with the USF Services and Subsidy Agreement enclosed as Annex 6.

13. **Service Availability and Quality Specifications**

- 13.1 Applicants must demonstrate that the USF Networks they propose will provide service coverage to all of the cities, towns, villages or Muzas identified in Schedule C of the USF Services and Subsidy Agreement as being mandatory for USF Network and USF Service coverage.
- 13.2 The USF Service Provider must roll-out and operate the USF Network substantially in accordance with the plans submitted and the technology described in its accepted Proposal.
- 13.3 The USF Service Provider must also roll-out and operate the USF Network so that the USF Services meet all applicable quality of service measures and requirements, including those set out in applicable Licence(s).
- 13.4 Quality of service reports for the USF Services shall be filed by the USF Service Provider with USFCo in accordance with the USF Services and Subsidy Agreement.
- 13.5 The USF Service Provider must use Renewable Energy Solutions as source of powering the USF Network.

14. **Scope of Service**

- 14.1 **USF Services** – The USF Services, which include Basic Public Telephone Access Service and Internet Access Service, shall be provided in the USF Areas in accordance with the USF Services and Subsidy Agreement.
- 14.2 **Optional Services** – In addition to the USF Services, a USF Service Provider may provide other services in the USF Areas, to the extent the USF Service Provider is authorized to provide such services under applicable Licence(s). A USF Service Provider shall be free to apply for additional licences to provide other telecommunications services in accordance with the PTA's then-current licensing practices and procedures.

15. **Regulation of Operators**

USF Service Providers will remain subject to all other regulatory requirements established from time to time by the PTA, including the terms of all previously granted Licences.

16. **Interconnection and Facilities Sharing**

- 16.1 Interconnection between a USF Service Provider's network and other licensed telecommunications networks in Pakistan is governed by:
- (a) the Act;
 - (b) the Pakistan Telecommunication Rules, 2000;
 - (c) all applicable licences;
 - (d) the Interconnection Regulations; and
 - (e) the USF Services and Subsidy Agreement.
- 16.2 A USF Service Provider's network must be technically compatible with all existing PSTN networks to ensure properly functioning interconnection. For interconnection purposes, technical compatibility includes, but is not limited to, compatible numbering, signalling, routing, synchronization and network interfaces.
- 16.3 USF Service Providers shall share infrastructure and essential facilities developed using USF Subsidy funding in accordance with the USF Rules and the USF Services and Subsidy Agreement.

17. **Numbering and Electronic Addressing**

- 17.1 Any numbers or electronic addresses used in Pakistan by a USF Service Provider shall be in accordance with the Act and any applicable

numbering or electronic addressing plans established by the PTA pursuant to the Act.

- 17.2 For the purposes of section 17.1, “electronic addressing” shall be interpreted as including ENUM, Distributed Universal Number Discovery (“DUNDi”) and other systems for mapping telephone numbers to IP addresses; but does not include domain name management related systems or functions.

18. **Type Approval**

- 18.1 Any telecommunications equipment or facilities used in Pakistan by a USF Service Provider shall be subject to the type approval requirements of the Act and any type approval processes established by the PTA pursuant to the Act.
- 18.2 USF Service Provider shall also be responsible to seek any type approval, permission or license for Renewable Energy Solution or any of its equipment, if required.

19. **Regulation of USF Service Charges**

- 19.1 The tariffs charged by a USF Service Provider for the USF Services are subject to requirements under the USF Services and Subsidy Agreement, including that those charges shall not exceed the USF Service Provider’s National or Regional tariffs for the same or equivalent services provided in urban locations that are not included in the USF Areas³.
- 19.2 USF Service Providers remain subject to any other tariff regulation by the PTA pursuant to the Act.

20. **Authority to Construct and Use Facilities**

- 20.1 Subject to the terms of the USF Services and Subsidy Agreement, a USF Service Provider will be authorized to construct or otherwise procure all telecommunications facilities required to provide the USF Services.
- 20.2 A USF Service Provider may utilise any appropriate wireless or wireline technologies, subject to any limitation in its Licence, in the provision of the USF Services that meet the USF Service requirements identified in the USF Services and Subsidy Agreement.
- 20.3 All telecommunications facilities, equipment and Renewable Energy Solutions installed by a USF Service Provider as part of the USF Network shall be:
- (a) new when first installed;

³ See section 2.06 of the Services & Subsidy Agreement.

- (b) field-proven (in accordance with section 42.7); and
- (c) compliant with internationally recognized standards.

20.4 Any permissions or authorizations required from authorities in the USF Areas, in connection with the installation of the USF Network facilities and equipment and Renewable Energy Solutions shall be the responsibility of the USF Service Provider.

21. **Requirement to Procure and Manage the USF Network**

A USF Service Provider shall be required to own and operate the USF Network in accordance with the USF Services and Subsidy Agreement.

22. **Transfer or Change of Control**

Transfers and changes in the ownership or control of a USF Service Provider or USF Network will be subject to USFCo approval in accordance with the USF Services and Subsidy Agreement.

23. **Access to Public and Private Lands**

A USF Service Provider shall have access to public and private lands, including ongoing rights of inspection and entry, in accordance with the Act and all other applicable laws, regulations and rules.

24. **Force Majeure**

A USF Service Provider shall be excused, in accordance with the USF Services and Subsidy Agreement, from certain failures to perform its obligations under the USF Services and Subsidy Agreement if an event of force majeure has prevented the performance of the obligations.

25. **Dispute Resolution**

The USF Services and Subsidy Agreement includes a number of mechanisms to facilitate resolution of disputes, including the appointment by USFCo of a disputes committee consisting of appropriately qualified persons. Where disputes cannot be resolved by application of these mechanisms, parties will continue to have recourse to arbitration and court processes in accordance with the laws of Pakistan.

26. **Technical Auditor**

A Technical Auditor shall be appointed by USFCo in accordance with the USF Services and Subsidy Agreement and other applicable processes. The Technical Auditor may be an appropriately qualified employee of USFCo and/or expert consultant, and will perform identified functions in accordance with the USF Services and Subsidy Agreement including:

- (a) certification that Project Implementation Milestones have been achieved and that USF Subsidy payments are therefore due;
- (b) certification that events of force majeure have prevented the performance of certain obligations under the USF Services and Subsidy Agreement; and
- (c) proposing amendment of the USF Areas, and any related amendments to the agreement, upon the occurrence of a certified event of force majeure.

27. **Compliance with Law**

A USF Service Provider shall be required to comply with all laws of Pakistan applicable to its USF Services activities at all times, including the Act, all regulations, rules, orders, decisions and guidelines issued under the Act.

28. **Term of USF Services and Subsidy Agreement**

The USF Services and Subsidy Agreement shall have a term of ten (10) years, commencing from the effective date of the Agreement.

29. **Other Obligations under USF Services and Subsidy Agreement**

The USF Services and Subsidy Agreement contains specific obligations of the USF Service Provider, including obligations regarding the roll-out of the USF Network and provision of the USF Services. The agreement also includes specific remedies for non-performance, including drawing on the Performance Bond or exercising the lien on USF Network assets, as well as insurance requirements, indemnification, and USF Service Provider representations and warranties.

30. **Fees Payable by the USF Service Provider**

A USF Service Provider will be responsible for paying any fees, taxes or charges otherwise applicable to the USF Service Provider in relation to its provision of the USF Services, in accordance with the Act and other laws of Pakistan and regulations made thereunder.

31. **Frequency Spectrum**

- 31.1 A USF Service Provider may use wireless or satellite technology to provide USF Services in accordance with all legal and regulatory provisions governing spectrum authorizations.
- 31.2 Proposals shall provide details of the frequency spectrum (including spectrum used in backhaul systems or facilities) to be used by the USF Service Provider in providing the USF Services, including the frequency spectrum bands, numbers of channels, radio-communications equipment and anticipated type of use.

- 31.3 Applicants should note that the frequency spectrum bands currently available in Pakistan are described in the Spectrum Management Guidelines and other documents available on the PTA website.
- 31.4 It is the sole responsibility of the Applicant to ensure that it has any frequency spectrum required for delivery of the USF Services.

End of Part II

Part III

Instructions to Applicants

32. Selection of Successful Applicant

USFCo plans to execute a USF Services and Subsidy Agreement with the Applicant whose Proposal meets the following selection criteria:

- (a) the Proposal demonstrates that the Applicant is a “Qualified Applicant”, meeting the requirements of sections 34, 35, 36 and 37 of this RFA;
- (b) the Proposal is “responsive”, meeting the requirements identified in section 40.1 of this RFA; and
- (c) the Applicant proposes the lowest USF Subsidy for the defined USF Areas.

33. Pre-proposal Meeting

- 33.1 USFCo shall conduct a “pre-proposal meeting” at the office of USFCo unless otherwise directed. The purpose of the meeting will be for USFCo to provide answers to the written questions posed and comments made by potential Applicants (see sections 56.5 and 56.6 regarding the submission of questions and comments), and to otherwise clarify or amend the RFA Process and related documentation. All authorised representatives of potential Applicants shall be entitled to attend the meeting.
- 33.2 USFCo will keep a register of all those who are present at the pre-proposal meeting. All representatives from the Applicants and USFCo attending the meeting shall sign the register.
- 33.3 USFCo will prepare minutes of the pre-proposal meeting. The minutes, and the text of any written questions and answers from Applicants, will be published by USFCo on the USFCo website.
- 33.4 Responses to the written questions and results of the pre-proposal meeting shall not constitute an amendment to the RFA documents or the RFA Process unless USFCo re-issues the affected RFA documents with a specific identification of the resulting amendments.
- 33.5 Any amended RFA documents thus issued shall become the applicable statement of the RFA Process, and shall be communicated in writing to all Applicants. Applicants shall promptly acknowledge receipt of any amended documents by email to the USFCo project administrator identified in section 9.1.
- 33.6 USFCo may extend the deadline for submission of Proposals as required to give Applicants reasonable time in which to take account of any amended RFA documents

34. **Qualification Criteria**

- 34.1 USFCo will determine whether an Applicant qualifies as a Qualified Applicant for the purposes of the award of a USF Services and Subsidy Agreement.
- 34.2 For the purpose of this RFA the qualification criteria are described in sections 35, 36, and 37.

35. **Financing Capacity**

- 35.1 The Applicant must satisfy USFCo that the proposed USF Service Provider has sufficient financing capacity for the investments required to construct the USF Network and to provide the USF Services. The criteria to determine whether an Applicant has sufficient financing capacity for a project of this size are:
- (a) A net worth of not less than PKR 300,000,000; or
 - (b) Possession or access to a line of credit equal to PKR 300,000,000.
- 35.2 The net worth of any shareholder in the proposed USF Service Provider may be included in the calculation of the net worth of the proposed USF Service Provider for the purposes of sections 35.1 and 42.5 if:
- (a) the shareholder holds or will hold a minimum of 1/3 (one third) of the ownership interest (including all forms of ownership interest) in the USF Service Provider; and
 - (b) the shareholder indicates that it is willing to guarantee the performance of the USF Service Provider and provides a written undertaking to this effect for inclusion in the Proposal.

36. **Operational Experience**

- 36.1 The Applicant must have operated a telecommunications network that meets all of the following requirements:
- (a) the network has a transmission backbone component for voice and data services (including facilities or services provided by other licencees under existing contracts);
 - (b) the network includes physical transmission facilities, such as wires, cables, satellite stations, fibre optic lines or radio-relay facilities owned and operated by the USF Service Provider; and
 - (c) the network has been operated by the USF Service Provider for a minimum of one (1) year.
- 36.2 In complying with section 36.1 above , the Applicant may rely on:

- (a) the operational experience of the USF Service Provider it proposes; or
- (b) the experience of any Person that is a member of the Applicant's bidding consortium, and that:
 - (i) is licensed by the PTA; and
 - (ii) is a shareholder in the proposed USF Service Provider, or
 - (iii) has committed in a binding agreement to become a shareholder in the proposed USF Service Provider,

provided that the Person holds or will hold a minimum of 1/3 (one third) of the ownership interests (including all forms of ownership interests) in the USF Service Provider.

37. **Applicant Eligibility**

- 37.1 The Applicant must demonstrate that the proposed USF Service Provider is eligible to receive the USF Subsidy pursuant to the World Bank Procurement Guidelines. An extract from the World Bank Procurement Guidelines, and related information, is included as Annex 3 to this RFA⁴.
- 37.2 As indicated elsewhere in this RFA, the Applicant must be a USF Contributor. In the case of a Consortium Applicant, the Consortium Applicant leader must be a USF Contributor.
- 37.3 The Applicant must also not have any "conflict of interest", this meaning any association with consultants or other advisors retained by USFCo or GoP to advise on the design or implementation of the RFA Process; or participating in more than one Proposal in this RFA Process.
- 37.4 The USF Service Provider proposed by the Applicant must be incorporated under the Companies Ordinance, 1984.
- 37.5 The Applicant must possess valid Licence(s) for the relevant region and telecommunication services, issued by PTA. The Applicant must satisfy USFCo that the proposed USF Service Provider is in substantial compliance with the conditions of its Licence(s). In complying with this requirement, the Applicant may rely on the Licence(s) of any shareholder in the USF Service Provider that meets the requirements of section 35.2.

38. **Consortium Applicant**

- 38.1 Any USF Contributor leading a consortium may bid for any USF Subsidy on behalf of that consortium ("Consortium Applicant") under

⁴ Only applicable if Project is financed by World Bank

conditions similar to those set out for an individual USF Applicant, provided that the consortium's composition and Proposal materials satisfy the consortium requirements identified below:

- 38.1.1 There shall be no limit on the number of members of the consortium, except that:
- (a) the consortium shall include at least one USF Contributor; and
 - (b) the consortium shall include at least one LL, WLL or Cellular Mobile licence holder; but shall include no more than one LL, WLL, Cellular Mobile or LDI licence holder.
- 38.1.2 One member of the consortium shall be identified as the consortium leader. The consortium leader shall be the USF Contributor member of the consortium. The consortium leader shall also enter into all contracts on behalf of the consortium and shall otherwise be responsible for consortium performance.
- 38.1.3 Notwithstanding section 38.1.2, all members of the consortium shall be jointly and severally liable to USFCo in respect to the performance of the USF Services and Subsidy Agreement.

39. **Bid Bond**

- 39.1 The Bid Bond shall remain valid for a minimum period of 210 days from the closing date identified in section 46.3. USFCo will not be obligated or liable to pay any accumulated interest on the Bid Bond.
- 39.2 The Bid Bond of all unsuccessful Applicants will be released not later than 30 days after the execution of the USF Services and Subsidy Agreement.
- 39.3 The successful Applicant's Bid Bond will be released not later than 30 days after: i) the execution of the USF Services and Subsidy Agreement; and ii) furnishing of the Performance Bond pursuant to section 54.
- 39.4 Notwithstanding section 39.3, the Bid Bond shall be forfeited by an Applicant in any of the following cases:
- (a) the Applicant withdraws its Proposal prior to execution of the USF Services and Subsidy Agreement;
 - (b) where the successful Applicant has received from USFCo a Letter of Intent to execute the USF Services and Subsidy Agreement and the USF Service Provider proposed by the Applicant fails or refuses to submit the Performance Bond in accordance with sections 53 and 54 of this RFA;

- (c) if after the issuance of the Letter of Intent USFCo determines that Applicant is disqualified pursuant to section 51.1 of the RFA; and
- (d) the USF Service Provider proposed by the successful Applicant does not execute the USF Services and Subsidy Agreement within 15 days of concluding final negotiations with USFCo, or fails to engage in final negotiation of the USF Services and Subsidy Agreement.

40. **Responsiveness of Proposals**

- 40.1 A Proposal will be considered responsive only if all of the following requirements are met:
- (a) The Proposal is submitted by an Applicant (or any company or other Person identified in the Proposal as a member or participant in a Consortium Applicant) that has registered with USFCo and purchased an official copy of the RFA in accordance with the Notice of Request for Applications document issued by USFCo.
 - (b) The Proposal is complete and submitted in accordance with all the requirements of this RFA, including the content requirements identified in sections 41, 42 and 43 and the submission requirements identified in sections 45 and 46.
 - (c) The Proposal is received before the closing date and time for submission identified in section 46.3.
- 40.2 Proposals that do not comply substantially with the above requirements will be rejected as non-responsive.

41. **Content and Format of Proposals**

Bid shall be well formatted starting with Table of Contents referring page numbers. Colored separators, tags or flags shall be used to identify different sections/items of Table of Contents stacked in to Box Files.

- 41.1 Each Proposal shall be assembled in two separate parts, contained in separate and clearly marked envelopes, as follows:
- (a) **Part 1** - “Qualifications and Service Proposal”, setting out information about the Applicant, the USF Service Provider proposed by the Applicant, the USF Network and the USF Service proposal of the Applicant; and
 - (b) **Part 2** - “USF Subsidy Proposal”, which shall set out the proposed USF Subsidy amount for the USF Areas.
- 41.2 The required content and form of each Part of the Proposal are outlined in more detail below. All parts of the Proposal must be printed using indelible ink.

42. **Part 1 Structure Requirements – Qualifications and Service Proposal**

Part 1 of the Proposal shall include the following documents and information:

42.1 **Cover Letter and Attachments**

- (a) The cover letter and each page of the attached proposal materials must be signed by a person or persons duly authorised to act on behalf of the Applicant. Where the Applicant is a consortium, the cover letter and attachments must be signed by a person or persons duly authorised to act on behalf of each member of the consortium.
- (b) The cover letter must provide a summary description of the Applicant, including the members of any Consortium Applicant, and of the USF Service Provider proposed by the Applicant.
- (c) The cover letter must indicate a firm commitment to engage in final negotiation of the USF Services and Subsidy Agreement promptly and in good faith.
- (d) The cover letter must confirm that the Proposal is open for acceptance by USFCo for 180 (one hundred and eighty) days from the bid closing date identified in section 46.3 of this RFA.
- (e) Attached to the cover letter must be one or more Powers of Attorney or notarised certificates that clearly evidence the authority of the signatory (ies) of the cover letter and other documents submitted with the Proposal which require signature on behalf of the Applicant, a shareholder of the Applicant, the members of the Applicant consortium, if applicable, or the USF Service Provider proposed by the Applicant.
- (f) Also included with the cover letter, must be the Bid Bond in the form of Annex 2 to this RFA, in accordance with the following requirements:
 - (i) The Applicant shall furnish a Bid Bond in the minimum amount of PKR 1,500,000 in the form of Annex 2 to this RFA and issued by a reputable bank located in Pakistan that is acceptable to USFCo.
 - (ii) The Applicant shall complete the Bid Bond in the form included in Annex 2. The form must be completed without alterations to its format, and no substitutes shall be accepted. All blank spaces shall be filled in with the information requested.
 - (iii) The Bid Bond of a consortium must be in the name of the lead member of the consortium.

42.2 **Information and Documentation on the Applicant**

- (a) The name, legal status, registered office address and a description of the business of the proposed USF Service Provider.

- (b) The name, legal status, registered office address and a description of the business of all shareholders in the proposed USF Service Provider.
- (c) The name, legal status and registered office address of any Person who Controls the proposed USF Service Provider.
- (d) The name, legal status and registered office address of all Persons who own, directly or indirectly, any ownership interest in a shareholder of the proposed USF Service Provider.
- (e) The name, country of citizenship and address of each Person who is a director of the proposed USF Service Provider.
- (f) A chart:
 - (i) showing the ownership structure of the proposed USF Service Provider;
 - (ii) illustrating the relationship among all Persons having a direct or indirect ownership interest; and
 - (iii) specifying the nature and level of such ownership interest.
- (g) A description of the legal status of the proposed USF Service Provider, including:
 - (i) a certified copy of its certificate of incorporation, Memorandum and Articles of Association;
 - (ii) a certified copy of a resolution of the Board of Directors of the USF Service Provider that authorizes the Applicant to submit the Proposal and propose the USF Service Provider for the USF Services and Subsidy Agreement; and
 - (iii) any shareholder agreement, joint venture agreement or Memorandum of Understanding, or other arrangement of any kind between the shareholders of the proposed USF Service Provider.
- (h) In the case of companies with shares listed on a stock exchange, the information regarding shareholders required in sections 42.2(b), 42.2(d) and 42.2(f) must be provided only to the best of the Applicant's knowledge and only in respect of shareholders owning more than 10% (ten percent) of the issued shares.

42.3 **Information to be Submitted by a Consortium Applicant –**

In the case of a Consortium Applicant, the Consortium Applicant's Proposal shall also include:

- (a) the name, legal status, registered office address and a description of the business of all Persons with a direct or indirect ownership interest of

- more than 10% (ten percent) in the Consortium Applicant or in any member of the consortium;
- (b) where a consortium member is an individual, identification and proof of citizenship for that individual;
 - (c) specific details of the structure of the consortium, including identification of the lead member of the consortium; and
 - (d) the agreement(s) establishing the consortium, specifying at least:
 - (i) a clear allocation of responsibilities and confirmation that all members of the consortium will be jointly and severally liable to USFCo in respect of performance of the USF Services and Subsidy Agreement;
 - (ii) the duration of the consortium agreement;
 - (iii) details of the ownership interests in the consortium and the financial contributions of each member; and
 - (iv) arrangements governing managerial control by the consortium over the operation of the USF Service Provider.

42.4 **Documentation on the Applicant's Licence(s)**

To demonstrate substantial compliance with the conditions of existing Licence(s), the Applicant shall submit:

- (a) a copy of each Licence issued by the PTA to the proposed USF Service Provider, or to any shareholder of the USF Service Provider that meets the requirements of section 35.2;
- (b) a copy of the most recent renewal of any such Licence; and
- (c) a declaration in the form of Annex 4 to this RFA, representing that the Applicant is in compliance with all applicable licence conditions, and is otherwise in good standing with the PTA.

42.5 **Documentation on Financial Resources of the Applicant**

- (a) Financial statements of the proposed USF Service Provider for the preceding two years, including an income statement and balance sheet, prepared in accordance with internationally accepted accounting standards; or
- (b) If the proposed USF Service Provider has not existed, or has not received service revenues, for at least two years prior to the submission of the Proposal, the financial statements of any shareholder that meets the requirements of section 35.2 must be provided. The financial

statements of said shareholder must be provided for the preceding two years and must be prepared in accordance with internationally accepted accounting standards.

42.6 **Documentation on Operational Experience of the Applicant**

- (a) Where the Applicant will rely on the experience of a Person identified in section 36.2, the Applicant must demonstrate that arrangements are in place to provide the proposed USF Service Provider with access to the technology, professional know-how and operational experience required to operate the USF Network and to provide the USF Services. Specifically, the Proposal must include:
 - (i) a statement that identifies the Person;
 - (ii) documentation that clearly demonstrates that the relationship between the proposed USF Service Provider and such Person meets the requirements of section 36.2(b);
 - (iii) a written commitment from said Person to participate in the USF Service Provider's operations;
 - (iv) a description of such proposed participation, which must clearly demonstrate to USFCo's satisfaction that the Person will have a significant and continuing participation in running the operations of the USF Service Provider for the life of the USF Services and Subsidy Agreement; and
 - (v) approval in writing by the Person's Board of Directors of the commitment and description of the Person's proposed participation.
- (b) The Proposal shall include specific information regarding the telecommunications markets in which the proposed USF Service Provider (or, if its experience is relied upon, the Person identified in section 36.2) has operated in the manner described. Details should be provided concerning:
 - (i) the number of years of operation;
 - (ii) the telecommunications management experience of the proposed USF Service Provider;
 - (iii) the types of telecommunications services provided; and
 - (iv) the experience of the proposed USF Service Provider in rolling out a telecommunications network.
- (c) The operational experience listed in section 36.1 above shall constitute experience of only one Person and not the aggregate experience of two or more Persons.

42.7 **Field Proven Equipment, Software and Solutions**

- (a) All proposed equipment and software shall have been satisfactorily field-proven in actual service. To meet this requirement, the proposed suppliers shall have supplied equipment and software of the type described in the Proposal to at least two telecommunications network operators and the equipment and software shall have been in satisfactory service with those telecommunications network operators for a minimum period of one year prior to the date of submission of the Proposal.
- (b) The Applicant shall provide the technical specifications of the major types of equipment and software to be supplied, installed and operated in order to provide the USF Services, including the local access facilities, the backbone transmission facilities, the switching and routing facilities, applicable network interfaces and Renewable Energy Solutions.
- (c) The Applicant shall submit evidence that the proposed suppliers of the equipment, identified pursuant to sub-section (a) above, have been in the business of manufacturing telecommunications equipment for at least three years before the date of the Proposal.
- (d) The Applicant shall submit the names, addresses, telephone numbers and fax numbers of the two network operators referred to in sub-section (a) above. The Applicant shall also submit letters from either the proposed equipment suppliers or the two network operators certifying satisfactory performance of the proposed equipment and software. USFCo reserves the right to verify the quality of the equipment and software and its satisfactory performance in actual service with the two network operators.
- (e) In view of the rapid technological development in communications technology, hardware and software, Applicants may propose that the USF Service Provider will install updated versions of the equipment and software in actual service. Applicants shall provide full details of the technological changes introduced in the proposed equipment and software.
- (f) All solutions and practices followed to provide telecommunication services shall be in accordance to the international standards defined by ITU-T. The solutions and practices must be well known and observed by the Industry.
- (g) As an alternative to meeting the requirements of sub-sections (a), (c) and (d) above, the Applicant must demonstrate satisfactory performance of the proposed equipment and software as part of the operations it has identified pursuant to section 36.1 of this RFA for a minimum period of one year prior to the date of submission of the Proposal.

42.8 Network Description

- (a) The Applicant must provide a concise description of the planned network of the proposed USF Service Provider. The description must demonstrate that the proposed USF Network will meet the requirements specified in the USF Services and Subsidy Agreement, including, but not limited to, the USF Services specifications in Schedules A and B to that agreement. The network description provided by the Applicant must also clearly demonstrate that the USF Service Provider will:
- (i) extend transmission and/or backhaul facilities into the USF Areas, with sufficient planned capacity to meet the requirements of the USF Services; and
 - (ii) provide service coverage to all cities, towns, villages or Muzas identified in Schedule C of the USF Services and Subsidy Agreement as being mandatory for USF Network and USF Service coverage.
- (b) The network description shall include:
- (i) a description of the local access, transmission, switching, routing, primary and secondary source of power and interface technology to be employed, including applicable technical standards, and a network map illustrating the intended network architecture and USF Network installations;
 - (ii) a summary description of the roll-out and service coverage plans for the USF Network and USF Services, that meet or exceed the Project Implementation Milestones;
 - (iii) the frequency spectrum to be used by the USF Service Provider (including the frequency spectrum bands, numbers of channels, radio-communications equipment, characteristics and anticipated type of use);
 - (iv) the specific USF Network bandwidth capacity estimated by the Applicant as required to meet traffic requirements in the USF Areas over the first five years of commercial operations, and how that capacity will be provided by the USF Service Provider;
 - (v) proposed interconnection points. The Applicant should specify how it intends to connect its voice traffic to the PSTN and its Internet traffic to the Internet. For voice, this should include the number and size of interconnection circuits and points of interconnection, including their location, required during the first five years of operation. For Internet, this should include the backhaul capacity per community, and plans for local or national peering. Backhaul, interconnection and peering

arrangements should make maximum use of existing services and facilities available from other service providers in order to minimize subsidy requirements; and

- (vi) the Applicant shall also provide the information identified in the “Design Parameters” included in Annex 5.

42.9 Operations Description - The Proposal must include:

- (a) a general description of the intended operations of the USF Service Provider, including its general approach to implementation of the USF Network and provision of the USF Services; and
- (b) a brief description of any land or rights in land (i.e., rights of way) that must be acquired for the operations, the estimated cost of acquiring such land or rights in land and the impact acquiring such rights might have on the Applicant’s network roll-out plan.
- (c) A brief description of Renewable Energy Solution, amount of energy it can generate and whether that generation is sufficient for smooth running of the USF Networks, details of the vendor, after-sale service and availability of the spare-parts.

42.10 Quality of Service Description - The Proposal must include a summary of the methodology and processes that will be implemented by the proposed USF Service Provider to meet the service requirements and quality of service standards identified in Schedules A and B to the USF Services and Subsidy Agreement, including performance monitoring, reporting and fault resolution processes.

42.11 Tariffs and Charges - The Proposal must include a statement by the Applicant confirming that its tariffs and service charges for the USF Services will meet the tariff requirements identified in the USF Services and Subsidy Agreement.⁵

42.12 Additional Information

- (a) The Applicant’s comments on the draft USF Services and Subsidy Agreement or any other transaction documents or requirements, including particularly any terms or conditions that the Applicant cannot or will not comply with; and
- (b) Any information that does not specifically respond to this RFA, but that the Applicant thinks is relevant to the Proposal.

⁵ See Section 2.06 of the Agreement.

43. **Part 2 Subsidy Proposal**

Information to be submitted by the Applicant in Part 2 of its Proposal:

- (a) **Subsidy Proposal** – The Applicant must provide a completed USF Subsidy Proposal Form prepared in accordance with Annex 1 to this RFA. As indicated in Annex 1, the amount of the proposed USF Subsidy and total cost of the Project shall be set out in words and numbers and in the event of any discrepancy between the words and numbers, the amount set out in words shall govern, and the currency of the proposed USF Subsidy shall be stated in PKR.
- (b) **USF Areas** – The Applicant’s USF Subsidy Proposal must state the proposed amount of USF Subsidy for implementation of the USF Network, delivery of the USF Services throughout the USF Areas and backhauling costs with subsidy claimed against backhauling cost up to three years.
- (c) **Calculation of Subsidy** – The Proposal must include a concise financial analysis detailing the calculation of the proposed USF Subsidy amount. The information furnished in this regard will be kept strictly confidential by USFCo; however, and as indicated in section 47.2, USFCo shall be entitled to publicly announce the total amount of each Applicant’s USF Subsidy Proposal. The financial analysis must clearly demonstrate the breakdown of projected USF Network costs and operational costs, itemized to show the costs of the USF Network components identified pursuant to section 42.8, per community or population area served.
- (d) **Projected Financial Statements** - The Applicant must provide projected financial statements for years one through five of the USF Service Provider, including an income statement, balance sheet and statements of sources and application of funds for the USF Service Provider prepared in accordance with internationally accepted accounting standards. For this purpose, the financial statements shall treat the USF Subsidy amount as if it were part of the debt, equity or deferred income of the USF Service Provider⁶. The financial statements shall include projections of fee revenues from the USF Services and any Optional Services.

44. **Compliance Checklist**

- 44.1 A “Compliance Checklist” is attached as Annex 5 to this RFA. Applicants must include a completed Compliance Checklist in each copy of their Proposals.

⁶ Applicants must take care that the USF Subsidy amount included in the financial statements is aggregated with other funds so that the amount of the Applicant’s intended subsidy cannot be specifically identified.

- 44.2 When completing the Compliance Checklist, Applicants must identify the specific parts and page numbers of their Proposals that correspond to the documents and information required by the RFA sections identified in the Compliance Checklist. Applicants must also specifically identify and comment on any of the identified RFA sections for which their Proposals are either “Non-Compliant” or only “Partially Compliant”.
- 44.3 Without derogating from the provisions of sections 44.1 and 44.2, above, in the event of any discrepancy between the Proposal requirements described in this RFA and the Compliance Checklist, the terms and requirements of this RFA shall prevail.

45. **Submission of the Proposal**

- 45.1 The Applicant shall prepare three copies of the Proposal, clearly marking the first copy “Original Proposal” and the 2nd & 3rd copies “Copy of Proposal”.
- 45.2 The Applicant shall also prepare one electronic copy of the Proposal (i.e., a CD-ROM or DVD containing copy of the Proposal that is in a format readable by Microsoft Office or Adobe Acrobat software).
- 45.3 All copies of the Proposal shall be clearly marked with the name of the Applicant.
- 45.4 In the event of any discrepancy between copies, the original shall govern.
- 45.5 As indicated in section 41, the Proposal consists of two separate parts: Part 1, the Qualification and Service Proposal; and Part 2, the USF Subsidy Proposal. Each part of the Proposal shall be separated into clearly labelled envelopes, with each envelope containing the three hard copies and the single CD-ROM or DVD copy of the applicable part of the Proposal. The envelopes containing the separate parts of the Proposal shall be packaged together in a single box or other container. The container shall be sealed; that is securely packed and closed, so that it is not possible to open it without visual evidence thereof.
- 45.6 Each Proposal package shall be clearly marked with the following information:

Proposal to Provide USF Telecommunications Services

Name of Applicant:

Local Contact Name, Phone Number and E-Mail Address:

“DO NOT OPEN, EXCEPT IN PRESENCE OF USFCo EVALUATION COMMITTEE”

- 45.7 USFCo will provide a written receipt confirming the delivery of each Proposal received prior to the closing date and time.
- 45.8 The Bid Bond should be enclosed in a separately sealed envelope clearly marked with the name of the Applicant and the text “Bid Bond”. This envelope should be included in the container that includes all Proposal contents (see section 45.5), and delivered with the assembled Proposal package.

46. **Delivery of the Proposal**

- 46.1 The Proposal packages shall be delivered at the address identified in Annex 8 of RFA before the closing date and time mentioned in section 46.3.
- 46.2 If the Proposal container is not sealed and marked properly, USFCo will assume no responsibility for the Proposal or the disposition of its contents. Improperly marked or sealed packages may be rejected by USFCo.
- 46.3 **Closing Date for Submission of the Proposal** - The sealed Proposal package shall be delivered to USFCo at the address specified in section 46.1 no later than date and time identified in Annex 8 of this RFA.
- 46.4 **Late Proposal** - Proposals received after the closing date and time identified in section 46.3 will be returned to the Applicant(s).

47. **Opening of Proposals**

- 47.1 USFCo will publicly open the duly received Proposals, in the presence of authorised representatives of any Applicants who desire to attend, at least thirty minutes after the deadline for submission of bids identified in section 46.3, in the conference room of USFCo, 5th Floor HBL Tower, Jinnah Avenue, Islamabad. The opening will proceed whether one or more representatives of Applicants are present or absent. Following opening of the Proposals, USFCo will proceed with evaluation of the Proposals in accordance with section 48.
- 47.2 All Proposals shall be opened one at a time, with a representative of USFCo reading out the name of the Applicants and any other Applicant information that USFCo may consider appropriate. Only Proposals opened and read out at the proposal opening shall be considered for further evaluation, irrespective of the circumstances. No Proposals shall be rejected at Bid opening except for late Proposals or any Proposals that are not accompanied by a Bid Bond.
- 47.3 USFCo shall prepare a record of the initial Proposal opening that shall include, at a minimum, the name of the Applicant, the presence or absence of a Bid Bond and identification of any Proposals rejected for

late submission. The Applicants' representatives who are present shall be requested to sign an attendance sheet. A copy of the record shall be distributed to all Applicants.

48. Selection Process and Evaluation of Proposals

- 48.1 Subject to any request for clarification submitted by USFCo pursuant to section 56.7, the information submitted by Applicants in response to this RFA will be the sole basis for the selection of the USF Service Provider. Provided that the Proposal is substantially responsive, GoP and USFCo reserve the right to request Applicants to provide additional information and documents to assist them in evaluating the Proposals. However, neither the GoP nor USFCo, nor any other GoP body, will assist Applicants to supplement Proposals which are otherwise deficient or non-compliant. Failure to provide additional information within the identified timeframe may result in the Applicant's proposal being determined to be non-compliant.
- 48.2 USFCo will review each Applicant's "Qualifications and Service Proposal" (Part 1 of the Proposal) to determine whether or not each Applicant is a Qualified Applicant within the meaning of section 34 of this RFA. Applicants that fail to satisfy the criteria identified in section 34 for becoming a Qualified Applicant will be rejected. USFCo will identify the grounds for rejection in a letter to each Applicant that fails to qualify as a Qualified Applicant.
- 48.3 USFCo will open and review each Qualified Applicant's "USF Subsidy Proposal" (Part 2 of the Proposal). USFCo will identify the date and time of opening the USF Subsidy Proposals, and representatives of Qualified Applicants will be entitled to attend the opening of the USF Subsidy Proposals. The representatives of Qualified Applicants who are present at the opening shall be requested to sign an attendance sheet. A representative of USFCo shall read out or otherwise announce the amount of USF Subsidy proposed by each Qualified Applicant. USFCo will prepare minutes for the USF Subsidy Proposal opening meeting. The minutes will be sent to all Qualified Applicants and will be published by USFCo on its website.
- 48.4 **Awarding USF Services and Subsidy Agreement** – Subject to section 60, the USF Services and Subsidy Agreement will be awarded to the Qualified Applicant that proposes the lowest USF Subsidy for the USF Areas.
- 48.5 **Ties** - In the event that there is more than one Qualified Applicant bidding the lowest USF Subsidy for one or more USF Areas, USFCo shall proceed as follows:
- (a) The tied Qualified Applicants will receive written notice of the tie and instructions for submission of second round bids.

- (b) The tied Qualified Applicants will proceed to a second round of bidding in which they will submit new USF Subsidy Proposals that comply with the requirements of section 43.
 - (c) The new USF Subsidy Proposal amount submitted by the tied Qualified Applicant must be smaller than or equal to the original USF Subsidy Proposal amount submitted by the Qualified Applicant.
 - (d) The new USF Subsidy Proposals shall be delivered in a sealed envelope, that is, securely closed so that it is not possible to open it without visual evidence thereof, to the address identified in section 46 and before the date and time specified in the written notice referred to in section 48.5(a). New USF Subsidy Proposals will not be accepted after the date and time specified in the written notice referred to in section 48.5(a).
- 48.6 USFCo's determinations in the evaluation process shall be final and binding upon Applicants, subject to the laws of Pakistan.

49. **Fraud or Corruption**⁷

It is the World Bank's policy to require that Borrowers (including beneficiaries of Bank loans), as well as bidders, suppliers, and contractors and their subcontractors under Bank-financed contracts, observe the highest standard of ethics during the procurement and execution of such contracts.⁸ In pursuance of this policy, the World Bank:

- (a) defines, for the purposes of this provision, the terms set forth below as follows:
 - (i) "corrupt practice"⁹ is the offering, giving, receiving or soliciting, directly or indirectly, of anything of value to influence improperly the actions of another party;
 - (ii) "fraudulent practice"¹⁰ is any act or omission, including a misrepresentation, that knowingly or recklessly misleads, or

⁷ This section would apply in substance. However, the references to the Bank would be applicable only if the project is financed by the World Bank.

⁸ In this context, any action taken by a bidder, supplier, contractor, or a sub-contractor to influence the procurement process or contract execution for undue advantage is improper.

⁹ "Another party" refers to a public official acting in relation to the procurement process or contract execution. In this context, "public official" includes World Bank staff and employees of other organizations taking or reviewing procurement decisions.

¹⁰ In this context, a "party" refers to a public official; the terms "benefit" and "obligation" relate to the procurement process or contract execution; and the "act or omission" is intended to influence the procurement process or contract execution.

attempts to mislead, a party to obtain a financial or other benefit or to avoid an obligation;

- (iii) “collusive practice”¹¹ is an arrangement between two or more parties designed to achieve an improper purpose, including to influence improperly the actions of another party;
- (iv) “coercive practice”¹² is impairing or harming, or threatening to impair or harm, directly or indirectly, any party or the property of the party to influence improperly the actions of a party;
- (v) “obstructive practice” is
 - a. deliberately destroying, falsifying, altering or concealing of evidence material to the investigation or making false statements to investigators in order to materially impede a Bank investigation into allegations of a corrupt, fraudulent, coercive or collusive practice; and/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
 - b. acts intended to materially impede the exercise of the Bank’s inspection and audit rights.
- (b) will reject a proposal for award if it determines that the Bidder recommended for award has, directly or through an agent, engaged in corrupt, fraudulent, collusive, coercive or obstructive practices in competing for the contract in question;
- (c) will cancel the portion of the loan allocated to a contract if it determines at any time that representatives of the Borrower or of a beneficiary of the loan engaged in corrupt, fraudulent, collusive, or coercive practices during the procurement or the execution of that contract, without the Borrower having taken timely and appropriate action satisfactory to the Bank to remedy the situation;
- (d) will sanction a firm or individual, including declaring them ineligible, either indefinitely or for a stated period of time, to be awarded a Bank-financed contract if it at any time determines that they have, directly or through an agent, engaged in corrupt, fraudulent, collusive, coercive or obstructive practices in competing for, or in executing, a Bank-financed contract; and
- (e) will have the right to require that a provision be included in bidding documents and in contracts financed by a Bank Loan, requiring bidders,

¹¹ “Parties” refers to participants in the procurement process (including public officials) attempting to establish bid prices at artificial, non competitive levels.

¹² In this context, a “party” refers to a participant in the procurement process or contract execution.

suppliers, contractors and consultants to permit the Bank to inspect their accounts and records and other documents relating to the Bid submission and contract performance and to have them audited by auditors appointed by the Bank.

50. **Period of Validity of Proposal**

The Proposal shall remain valid for 180 days from the closing date identified in section 46.3 of this RFA.

51. **Grounds for Rejection of Proposal**

51.1 USFCo shall reject Proposals and remove them from further consideration for any of the reasons set out below:

- (a) Failure to comply with any of the procedures or other requirements identified in sections 35, 36, 37, 40, 42, 43 and 45 of this RFA.
- (b) Failure to submit the Bid Bond amount specified in this RFA.
- (c) Serious inaccuracy or misrepresentation of any material facts in any part of the Proposal.
- (d) The Proposal of the Applicant recommended for award will be rejected by the World Bank¹³ if the World Bank determines that the Applicant has, directly or through an agent, engaged in corrupt, fraudulent, collusive or coercive practices (as defined in section 49) in competing for the contract in question.
- (e) The Applicant submitting the Proposal is determined by USFCo to have a conflict of interest (as that term is defined in section 37.3).

51.2 On the occurrence of any of the forfeiture events identified above in section 51.1, USFCo shall be entitled to select another Applicant. In such an event, USFCo may award the USF Services and Subsidy Agreement to the USF Service Provider proposed by the Qualified Applicant that proposed the next lowest USF Subsidy for the USF Areas for which the first-selected Applicant proposed the lowest USF Subsidy. Where the USF Subsidy is financed by the Bank pursuant to the Loan (see sections 2.2 and 2.3), the award of the USF Services and Subsidy Agreement shall be subject to prior consultation with, and the absence of objection by, the **Bank**.

52. **Subsequent Disqualification and Ineligibility**

52.1 If evidence of any of the activities referred to in sub-sections 51.1 (c) through (e) is disclosed after the USF Services and Subsidy Agreement

¹³ Only applicable if Project is financed by World Bank

has been executed, USFCo may terminate the USF Services and Subsidy Agreement without compensation. Disclosure of such evidence will also entitle the Bank or other institution of the **World Bank** to decline to finance the USF Subsidy, and for USFCo to seek repayment of any part of the USF Subsidy that may have been paid. The provisions of this section are in addition to any criminal or civil legal action which may be available to or taken by any government or regulatory authority, including PTA and USFCo.

- 52.2 USFCo will declare an Applicant ineligible, either indefinitely or for a stated period of time, to be awarded a USFCo financed contract if it at any time it determines that the Applicant has engaged in corrupt, fraudulent, collusive or coercive practices in applying for, or in performing, a USFCo financed contract.

53. **Letter of Intent**

- 53.1 USFCo will issue a Letter of Intent (“LOI”) to the successful Qualified Applicant to confirm USFCo’s intention to grant the USF Services and Subsidy Agreement to the USF Service Provider proposed by the Applicant. The LOI will also require the USF Service Provider proposed by a successful Applicant to submit the required Performance Bond within 10 days of receipt of the LOI.
- 53.2 If the USF Service Provider proposed by the Applicant to whom the LOI is directed does not submit the required Performance Bond within 10 days from the date of receipt of the LOI, USFCo may:
- (a) cause the Applicant to forfeit the Bid Bond pursuant to section 39.4 above;
 - (b) disqualify the Applicant and the USF Service Provider proposed by the Applicant; and
 - (c) issue another LOI to the Qualified Applicant that has submitted the next lowest USF Subsidy proposal for the USF Areas.
- 53.3 An Applicant to whom a LOI is directed must accept the LOI by notice in writing (the “Letter of Acceptance”) to USFCo within seven (7) days from the date of receipt of the LOI.
- 53.4 It is the intention of USFCo that the USF Services and Subsidy Agreement (the “Contract”) will be finally negotiated and signed within 30 days of the date of receipt of the LOI. In the event that USFCo and the recipient of the LOI are unable to finalize the terms of the Contract within the 30 day period, USFCo shall be entitled to terminate negotiations, return the Performance Bond and issue another LOI to the Qualified Applicant that has submitted the next lowest USF Subsidy proposal for the USF Areas.

53.5 Once the Contract has been entered into with the USF Service Provider put forward by the winning Applicant, USFCo shall publish the results of the RFA Process including at least the following information: (i) name of each Applicant who submitted a Proposal; (ii) name of Applicants whose Proposals were rejected, and the reason(s) for their rejection; (iii) the USF Subsidy Proposal amounts as read out at the subsidy proposal opening; (iv) the name of the winning Applicant; and (v) a summary of the resulting Contract. The information shall also be published on USFCo's website and in the dgMarket and UNDB online and may be published in any other manner directed by USFCo or GoP.

54. **Performance Bond**

A USF Service Provider proposed by an Applicant to whom an LOI has been directed shall furnish the Performance Bond in accordance with this RFA Process and the USF Services and Subsidy Agreement. The Performance Bond shall be prepared in the form of Schedule F to the USF Services and Subsidy Agreement, and shall be furnished within ten (10) days of the date of receipt of the LOI.

55. **Information Provided by USFCo**

55.1 The information contained in this RFA and any other information provided to Applicants during the Proposal process is intended to assist Applicants in the preparation of their Proposals. USFCo will ensure that all Applicants are provided with the same information during the Proposal process, in accordance with sections 33.5 and 33.6 of this RFA.

55.2 USFCo has made and will continue to make reasonable efforts to include accurate and current information in this RFA and in any other documentation provided to Applicants and potential Applicants. However, neither USFCo nor any of its agencies, employees, representatives, advisors or consultants shall have any liability whatsoever to any Applicant or any of its shareholders or members or any other Person resulting from use of or reliance on any of the information so provided. Applicants are encouraged to undertake their own verification of any information supplied by USFCo prior to use of or reliance on that information.

56. **Communications, Comments and Requests for Clarification**

56.1 All deliveries, notices or other communications made by USFCo to Applicants in connection with the Proposal process shall be sent by fax, e-mail or personal delivery to the registered office of the Applicant, as specified at the time the Applicant registered with USFCo pursuant to this RFA Process.

56.2 All deliveries, notices or other communications made by Applicants to USFCo in connection with the Proposal process, except for submission of the Proposal itself, shall be sent in writing by e-mail or personal

delivery, unless otherwise specified by USFCo, to the contact person and address specified in section 9.1.

- 56.3 Subject to section 48.1, during the period between the deadline for submissions of Proposals and the award of the USF Subsidy, no Applicant, no USF Service Provider proposed by an Applicant and no party interested in a Proposal shall be permitted to discuss the merits of any Proposal with any representative of USFCo. Any communications, or attempted communications, in contravention of this section shall be grounds for immediate disqualification.
- 56.4 Applicants are expected to carefully examine all instructions, forms and annexes in this RFA. Failure to furnish all information required by this RFA or the submission of a Proposal that does not comply with the RFA in all respects may result in disqualification of the Proposal.
- 56.5 A prospective Applicant requiring any clarification of this RFA or the draft USF Services and Subsidy Agreement may pose one or more questions to USFCo in writing by e-mail or personal delivery up to twenty one (21) days prior to the closing date for Proposals. USFCo will respond in writing to such written questions following the pre-proposal meeting described in section 33 above. Written questions received by USFCo less than twenty one (21) days prior to the closing date will not be answered.
- 56.6 A prospective Applicant may make comments on the structure and contents of this RFA or the draft USF Services and Subsidy Agreement. Such comments should be sent in writing by e-mail or personal delivery to USFCo up to twenty one (21) days prior to the closing date for Proposals. USFCo will respond in writing to such written comments following the pre-proposal meeting described in section 33 above. USFCo will not respond to written comments received by USFCo less than twenty one (21) days prior to the closing date.
- 56.7 To assist in the examination and evaluation of Proposals, USFCo may, at its discretion, ask any Applicant for a clarification of its Proposal. Any clarification submitted by an Applicant in respect to its Proposal that is not in response to a request by USFCo shall not be considered. USFCo's request for clarification and any response shall be in writing. Subject to sub-section 48.5, no change in the proposed USF Subsidy amount shall be sought, offered or permitted, except to confirm the correction of arithmetic errors discovered by USFCo in the evaluation of the Proposals. In responding to any request for clarification, Applicants may not attempt to change their Proposals, and any response that USFCo determines constitutes a change to an Applicant's Proposal shall not be taken into account by USFCo in evaluating the Proposal.

57. **Confidentiality of Proposals**

- 57.1 Except for the public opening of USF Subsidy Proposals pursuant to section 47, USFCo shall treat all Proposals received in relation to this RFA as confidential during the period before the award of the USF Services and Subsidy Agreement.
- 57.2 USFCo and its agencies, employees, representatives, advisors or consultants shall take reasonable steps to protect Proposal related information from improper use or disclosure; however, liability for disclosure shall be subject to the limitation set out in section 61.3.
- 57.3 Information relating to the examination, evaluation, comparison, and qualification of Proposals, and any recommendation of Contract award, shall not be disclosed by any representative of USFCo or GoP to Applicants or any other Persons not officially concerned with such process except as specifically permitted by sections 47, 48, and 53.5 of this RFA.

58. **USFCo Use of Proposals**

Subject to compliance with intellectual property laws of Pakistan, and section 57 above, USFCo shall have the right to use or reproduce ideas and information contained in a Proposal without notice or payment of any kind to the Applicant.

59. **Cost of Proposal and Bidding**

The Applicant shall bear all costs associated with the preparation and submission of its Proposal and USFCo will in no case be responsible for any such costs, regardless of the conduct or outcome of the Proposal process.

60. **Reservation of Rights**

- 60.1 USFCo reserves the right, in its sole discretion, to take any action, including amendment of this RFA, which it considers necessary to ensure that the RFA Process proceeds in a fair, open and transparent manner, in accordance with the laws of Pakistan and to meet the objectives of USFCo.
- 60.2 USFCo reserves the right to modify or terminate the RFA Process at any time in its sole discretion.
- 60.3 USFCo is not legally obligated to execute the USF Services and Subsidy Agreement. It may terminate the RFA Process or revoke an award of the USF Services and Subsidy Agreement at any time before the USF Services and Subsidy Agreement is executed.

61. **Legal and Formal Requirements**

- 61.1 **Governing Law** - This RFA and any USF Services and Subsidy Agreement executed pursuant to this RFA shall be exclusively subject to, and interpreted in accordance with, the laws of Pakistan.
- 61.2 **Settlement of disputes** - Any dispute, controversy or claim arising out of or in connection with this RFA document, or the breach, termination or invalidity thereof, shall be subject to the dispute resolution terms and processes set out in Annex 7 to this RFA.
- 61.3 **Limitation of Liability** - Neither GoP nor any of its Ministries, agencies, employees, representatives, advisors or consultants, including USFCo and its officers, employees and contractors, shall incur any liability whatsoever to any Applicant or any USF Service Provider proposed by an Applicant, or any of their respective shareholders or members or any other Person, in connection with any damages, losses, expenses or injury whatsoever, including but not limited to loss of revenue, opportunity, or goodwill, resulting from participation in the RFA Process, including reliance of any person on the information set out in this RFA; it being understood and agreed that USFCo's or GoP's liability for damages shall, in any event, be limited to such amount as may have been actually paid by an Applicant or other person to participate in the RFA Process.
- 61.4 **Language** - The Proposal, the accompanying documents, and all correspondence relating to this RFA shall be submitted in the English language.

Part IV Definitions

62. Definitions

In this Request for Applications (RFA), unless the subject matter or context otherwise requires, the following terms shall have the following meanings:

“Act” means the *Pakistan Telecommunication Act (Re-Organization) Act, 1996*, XVII of 1996, as amended, and any successor legislation;

“Applicant” means any Person that registers itself with USFCo as an Applicant for purposes of this RFA, having obtained a copy of this RFA from USFCo;

“Bank” means the bank which is providing the Loan and related financing for the project pursuant to section 2.2 of this RFA;

“Basic Public Telephone Access Service” means the services that a USF Service Provider is obliged to provide under Section 14.1 and Schedule A of the USF Services and Subsidy Agreement;

“Bid Bond” means the financial security for the bid, including any pay order or demand draft in the name of USFCo, that an Applicant must furnish to USFCo in accordance with section 39 of this RFA;

“Borrower” means the GoP, as recipient of the funding described in section 2.1 of this RFA;

“Compliance Checklist” means the form set out in Annex 5 to this RFA that Applicants must complete in accordance with section 44 of this RFA;

“Consortium Applicant” means a group of Persons, including a joint venture, that submits a Proposal on behalf of its members, and that meets all eligibility requirements identified in section 38.1 of this RFA;

“Contract” means the USF Services and Subsidy Agreement signed with one or more successful Qualified Applicants on successful conclusion of the RFA Process;

“Control” of a Person other than an individual means the ownership of at least 51% (fifty-one percent) of the voting interests in the subject Person; or the possession, directly or indirectly, of the power to direct or cause the direction of the management of that Person, whether through the ownership of shares, voting, securities, partnership or other ownership interests, agreement or otherwise;

“Final Implementation Date” means the date identified in paragraph 5 of Schedule D of SSA;

“GoP” means the Government of Pakistan;

“Interconnection Regulations” means any interconnection regulations, rules or guidelines that may be issued by PTA from time to time;

“Internet Access Services” means the services that a USF Service Provider is obliged to provide under Section 14.1 and Schedule B of the USF Services and Subsidy Agreement;

“Letter of Acceptance” means the letter described in section 53.3 of this RFA;

“Letter of Intent” or **“LOI”** means the letter described in section 53.1 of this RFA;

“Licence” means any telecommunications licence granted by the PTA to the USF Service Provider, or to any shareholder of the USF Service Provider that meets the requirements of section 35.2, which authorizes it to provide the USF Services, as that Licence may be amended;

“Loan” means the funding received by the GoP, described in section 2.2 of this RFA;

“Muza” means the smallest part of the revenue system recognized by the Population Census Organization;

“Net worth” for the purposes of sections 35 means total assets minus total liabilities.

“Optional Services” means services that a USF Service Provider is authorized but not required to provide pursuant to the USF Services and Subsidy Agreement and any Licences held by a USF Service Provider;

“Performance Bond” means the financial security for performance a USF Service Provider must furnish in accordance with section 54 of this RFA;

“Person” means any individual, firm, company, corporation, partnership, joint venture or other consortium, government or governmental entity;

“Point of Interconnection” or **“POI”** means a connection point between the networks of two telecommunications service providers;

“Project Implementation Milestones” means the milestones for the roll-out of the USF Network and provision of the USF Services identified in Schedule D of the USF Services and Subsidy Agreement;

“Proposal” means a proposal submitted by an Applicant in response to this RFA;

“PSTN” means the public switched telecommunications network of Pakistan;

“PTA” means the Pakistan Telecommunication Authority, a statutory body corporate established under Section 3 of the Act, and its predecessors and successors;

“Public Call Office” means the Public Telephone facilities to be established by the USF Service Provider in accordance with Schedule A to the USF Services and Subsidy Agreement;

“Public Telephone” means any payphone, phone kiosk or other provisioning of telephones for public use in accordance with Schedule A to the USF Services and Subsidy Agreement;

“Qualifications and Service Proposal” means Part 1 of the Proposal that Applicants must prepare in accordance with section 41.1(a) of this RFA;

“Qualified Applicant” has the meaning ascribed thereto in section 34 of this RFA;

“Renewable Energy” means energy that is produced by alternative or renewable resources as compared to the conventional or that are replenished naturally, which do not deplete when consumed and are non-polluting and environmental friendly;

“Renewable Energy Solution” means solutions, systems or set-ups generating power from Renewable Energy;

“RFA” means this Request for Applications, including all annexes hereto, as amended or modified by USFCo;

“Technical Auditor” means the Person appointed in accordance with the USF Services and Subsidy Agreement;

“Telecenter” means the telephone, Internet and data service facilities to be established by the USF Service Provider in accordance with Schedule B to the USF Services and Subsidy Agreement;

“USF Areas” mean the cities, towns, villages or Muzas identified in Schedule C of the USF Services and Subsidy Agreement as being mandatory for USF Network and USF Service coverage;

“USF Contributor” means any Person who’s Licence includes identified USF Contribution requirements, and who is identified by PTA as being fully compliant with those requirements;

“USF Network” means the licensed telecommunication system to be constructed by a USF Service Provider to provide USF Services pursuant to the USF Services and Subsidy Agreement;

“USF Rules” means the Universal Service Fund Rules, 2006 (as amended);

“USF Service Provider” means the Person put forward by an Applicant that will provide the USF Services in accordance with the USF Services and Subsidy Agreement;

“USF Services” means the Basic Public Telephone Access Services and Internet Access Services to be provided by a USF Service Provider pursuant to the USF Services and Subsidy Agreement;

“USF Services and Subsidy Agreement” means the agreement, a draft of which is annexed as Annex 6 to this RFA, for the construction and roll-out of the USF Network,

provision of the USF Services and payment of the USF Subsidy to be granted pursuant to this RFA;

“USF Subsidy” means the subsidy to be paid by USFCo to the USF Service Provider in accordance with the USF Services and Subsidy Agreement and includes USF Capex Subsidy and USF Opex Subsidy;

“USF CAPEX Subsidy” means the subsidy to be paid by USFCo to the USF Service Provider on the USF Service Provider achieving the Project Implementation Milestones;

“USF OPEX Subsidy” means the subsidy to be paid by USFCo to the USF Service Provider for meeting operational expenses as mentioned in Schedule D;

“USF Subsidy Proposal” means Part 2 of the Proposal that Applicants must prepare in accordance with section 43 of this RFA;

“USF Subsidy Proposal Form” means the form attached at Annex 1 of this RFA; and

“USFCo” means the USF ^(Guarantee) Limited and its successors.

End of Part IV

Annex 1: USF Subsidy Proposal Form

RFA TO PROVIDE USF TELECOMMUNICATIONS SERVICES

To: The Chief Executive Officer
USFCo
Fifth Floor, HBL Tower, Jinnah Avenue,
Islamabad
Pakistan

Applicant's USF Subsidy Proposal:

The Applicant, *[insert name of Applicant]*, hereby commits to assume all of the USF Service obligations identified in the RFA and USF Services and Subsidy Agreement in consideration for the award of the USF Services and Subsidy Agreement and payment of the amount of USF Subsidy indicated in the following table:

Description	Total cost of project	Amount of Proposed USF Subsidy (in Pakistan rupees)
USF Areas: <i>As identified in Schedule C of USF Services and Subsidy Agreement.</i>	<i>[Enter amount of total cost of Project, proposed for the USF Area.]</i> <i>{The amount must be set out in both words and numbers}</i>	<i>[Enter amount of USF Subsidy proposed for the USF Areas]</i> <i>{The amount must be set out in both words and numbers}</i>
Break-up of Total cost & Proposed USF Subsidy <i>{All amounts must be set out in both words and numbers.}</i>		
USF Subsidy for capital cost excluding costs for Renewable energy set-up	<i>[Enter amount of total capital cost minus cost of Renewable Energy Solution]</i>	<i>[Enter amount of USF Subsidy proposed for capital cost minus cost of Renewable Energy Solution]</i>
USF Subsidy for Renewable Energy Solution	<i>[Enter amount of total cost of Renewable Energy Solution]</i>	<i>[Enter amount of USF Subsidy proposed for the USF Areas. The amount must be set out in both words and numbers.]</i>

USF Subsidy for backhauling	Year 1	<i>[Enter amount of total cost of backhauling for first year]</i>	<p style="text-align: center;"><i>[Enter amount of USF Subsidy proposed for backhauling for first year]</i></p> <p style="text-align: center;"><i>{This amount should not exceed 75% of the total cost of backhauling for first year mentioned on the left}</i></p>
	Year 2	<i>[Enter amount of total cost of backhauling for second year]</i>	<p style="text-align: center;"><i>[Enter amount of USF Subsidy proposed for backhauling for first year]</i></p> <p style="text-align: center;"><i>{This amount should not exceed 50% of the total cost of backhauling for second year mentioned on the left}</i></p>
	Year 3	<i>[Enter amount of total cost of backhauling for third year]</i>	<p style="text-align: center;"><i>[Enter amount of USF Subsidy proposed for backhauling for first year]</i></p> <p style="text-align: center;"><i>{This amount should not exceed 25% of the total cost of backhauling for third year mentioned on the left}</i></p>

*USF Subsidy = USF CAPEX Subsidy + USF Subsidy for Renewable Energy Solution + USF Subsidy for backhauling

1. In the event of any discrepancy between the USF Subsidy amount and total cost of the Project set out in words and numbers, the amount set out in words shall govern.
2. This USF Subsidy Proposal shall remain valid in accordance with section 50 of the RFA.

Signature: _____ Print Name: _____

in the capacity of *[insert title/position of individual signing]* duly authorized to sign for and on behalf of *[insert name of Applicant]*.

Dated this _____ day of _____, 2010.

Witness Signature: _____ Print Name: _____

Dated this _____ day of _____, 2010.

Annex 2: Bid Bond Form

To: The Chief Executive Officer
USFCo
Fifth Floor, HBL Tower, Jinnah Avenue,
Islamabad
Pakistan

WHEREAS the Universal Service Fund, hereinafter called the “USFCo”, has issued the Request for Applications to Provide Universal Service Fund (USF) Telecommunications Services, hereinafter called the “RFA”, dated *[insert date]*;

AND WHEREAS the Universal Service Fund Telecommunications Services, hereinafter called the “SERVICES”, shall be provided in accordance with a service agreement, hereinafter called the “AGREEMENT”, to be executed in accordance with the RFA, and any licence, hereinafter called the “LICENCE”, issued by the PTA that authorizes provision of the SERVICES;

AND WHEREAS *[insert name of Applicant]*, hereinafter called the “APPLICANT”, is submitting a proposal, hereinafter called the “PROPOSAL”, dated *[insert date of Proposal]* to provide the “SERVICES”;

KNOW ALL PEOPLE by these presents that we *[insert name of bank]* having our registered office at *[insert address of bank]*, hereinafter called the “BANK”, are bound unto the USFCo by the amount of PKR [1,500,000] willingly and truly to be paid out to the said USFCo upon entering any of the conditions specified below. The BANK binds itself, its successors and assigns by these presents sealed with the common seal of the BANK this *[insert day]* day of *[insert month]*, 2009.

The conditions of this obligation are:

1. If the APPLICANT withdraws its PROPOSAL prior to execution of the AGREEMENT;
2. If the APPLICANT, having been notified of the acceptance of the PROPOSAL by the USFCo during the period of validity of the PROPOSAL, fails or refuses to furnish the Performance Bond of the specified amount and correct validity and the Letter of Acceptance in accordance with the instructions given in the Letter of Intent issued by the USFCo;
3. If after the issuance of the Letter of Intent the USFCo determines that APPLICANT is disqualified pursuant to section 51.1 of the RFA; or
4. The APPLICANT does not execute the AGREEMENT within any identified time period after completing final AGREEMENT negotiations.

We undertake to pay to the USFCo up to the above amount upon receipt of its first written demand without the USFCo having to substantiate its demand, provided that in its demand the USFCo will note that the amount claimed by it is due to the occurrence of one or more of the aforementioned conditions, specifying the condition or conditions that have occurred.

This guarantee will remain valid for 210 days from the closing date of submission of the PROPOSAL (i.e. until [*insert expiry date*]) and any demand in respect thereof should reach the BANK not later than the above date.

Signature and Seal of BANK:

Date:

Annex 3: World Bank Eligibility Guidelines
(Will only be applicable if funding is from World Bank)

Note: The text in this Annex is an extract of the procurement section of the following URL:

<http://web.worldbank.org/WBSITE/EXTERNAL/PROJECTS/PROCUREMENT/0,,pagePK:84271~theSitePK:84266,00.html>

**Eligibility for the Provision of Goods, Works and Services in Projects Financed
by the World Bank**

Current Policy

In November 2003, the World Bank approved revisions to the Guidelines: Procurement under IBRD Loans and IDA Credits and Guidelines: Selection and Employment of Consultants by World Bank Borrowers. These guidelines, which became effective in May 2004 do not contain procurement restrictions based on nationality. As stated in paragraph 1.6 of the Guidelines, **persons or entities from any country are eligible to participate in Bank-financed procurement for all loans or credits for which the invitation to negotiate was issued after May 1, 2004.**

Exceptions to this are noted in paragraph 1.8 of the procurement guidelines.

According to these exceptions, persons or entities of a Country, or goods and services that have their origin in a Country may be excluded if:

Para 1.8 (a) (i): as a matter of law or official regulation, the Borrower's Country prohibits commercial relations with that Country, provided that the Bank is satisfied that such exclusion does not preclude effective competition for the supply of the Goods or Works required; or

Para 1.8 (a) (ii): by an Act of Compliance with a Decision of the United Nations Security Council taken under Chapter VII of the Charter of the United Nations, the Borrower's Country prohibits any import of goods from that Country or any payments to persons or entities in that Country.

Additional Requirements

The Contractor and its sub-contractors shall have the nationality of an eligible country. It is considered that a Contractor or sub-contractor has the nationality of a country if he is a citizen or

is constituted, incorporated or registered and operates in accordance with the rules and laws of this country.

All goods and services to be provided under the Contract and financed by the Bank shall have their origin in eligible countries. For the purposes of this clause, “origin” means the country where the goods were extracted, harvested, cultivated, produced, made, manufactured or processed, or, when affected by processing, manufacturing or mounting, become a new item commercially recognized as differing substantially from the basic features of its components.

The origin of goods and services is distinct from the nationality of a bidder or Contractor.

Annex 4: Form of Letter Regarding Compliance with Licence(s)

[*Month*] [*Day*], 2009

The Chief Executive Officer
USFCo
Fifth Floor, HBL Tower, Jinnah Avenue,
Islamabad
Pakistan

Dear Sir:

Re: [*insert name of proposed USF Service Provider or Person falling within one of the categories listed in section 36.2(b) of the RFA*]

Compliance with Conditions of Telecommunications Licence(s)

[*insert name of proposed USF Service Provider or Person falling within one of the categories listed in section 36.2(b) of the RFA*] is the holder of the following telecommunications licences issued by the PTA:

[*list all PTA issued licences, including appropriate licence identification and date*]

[*insert name of proposed USF Service Provider or Person falling within one of the categories listed in section 36.2(b) of the RFA*] remains in substantial compliance with all terms and conditions of the licence(s) issued by the PTA, and otherwise remains in good standing with the PTA.

Yours very truly,

[insert name of proposed USF Service Provider or Person falling within one of the categories listed in section 36.2(b) of the RFA]

Per:

(Signature)

[insert name and title of person signing letter]

[insert phone number of person signing letter]

[insert postal and e-mail address of person signing letter]

cc: Director General (Licensing), Pakistan Telecommunication Authority

Annex 5: Compliance Checklist

1. Compliance Sheet

A complete compliance sheet for each clause of RFA/SSA/Annexe/Schedules shall be provided as softcopy and as signed hardcopy in the following format

Document	Clause No.	Compliance (FC/PC/NC/NA)	Proposal Page Reference	Remarks in case of Partially or Not Complied
RFA				
SSA				
Schedules				
Annexes				

Note: FC- Fully Complied, PC – Partially Complied, NC – Not Complied, NA – Not Applicable.

A detailed compliance sheet template will be provided along with softcopy of RFA documents at the time of registration.

2. Design Parameters

Following table of design parameters¹ shall be filled up for the proposed solution

ITEM	VALUE
Network Technology	
Spectrum (Access Network)	
Spectrum (Satellite)	
Vendor of Access Network	
BTS count	

¹ Applicants proposing a USF Network solution that is not GSM or CDMA based should provide equivalent network design and performance information.

RF Repeater count	
Transmission Repeater count	
Microwave frequency	
Microwave Media (BTSs count)	
Capacity for Microwave Media	
Satellite Media (BTSs count)	
Capacity for Satellite Media	
Data technology (and upstream/downstream rates) ²	
Voice mErlang/Sub	
Voice MHT (Sec)	
Network Size in Erlang	
Network Size in Subscribers	
Telecenter count	
Public Call Office (PCO) Count	
Renewable Energy Solution Technology	
Renewable Energy Solution (BTS Count)	
Commercial Power (BTS Count)	
DG with capacities (BTS Count)	
Battery Backup time	
Battery Life	

3. Additional Information

Following information shall also be provided.

a) Softcopy of MapInfo work space that includes the following layers:

i) BTS Location with information (columns) as follows:

² Applicants must provide design assumptions and related information to demonstrate that the USF Network will meet the 50 kbps Internet data transfer rates identified in Schedule B, for both upstream and downstream traffic, assuming 1% active (non dormant) data sessions among all subscribers.

S.No	BTS Name	Latitude	Longitude	Configuration (Omni, 444 or 333)	Erlangs	Subscribers	Height	Backhaul Type (VSAT/Satellite or MW)	Backhaul Capacity (E1s)
1									
2									

ii) Repeater locations with details same as for BTSs

iii) Footprint prediction with legends like

Legend	dBm		dBm
Green	-65	$\leq x$	
Yellow	-75	$\leq x <$	-65
Orange	-85	$\leq x <$	-75
Blue	-95	$\leq x <$	-85
Grey	-102	$\leq x <$	-95
White	No Coverage		

b) Softcopy of Link Budget analysis sheet for reverse and forward links (if applicable) for the technology/frequency being used

c) Sample brochures of the Customer Premises Equipment (CPE) compatible with the proposed access network

Annex [6]

Draft of Proposed USF Services and Subsidy Agreement

**UNIVERSAL SERVICE FUND
SERVICES and SUBSIDY AGREEMENT**

BETWEEN

**UNIVERSAL SERVICE FUND
(A company setup under Section 42 of the Companies Ordinance 1984)**

**AND
[•]**

**MADE AS OF
[•MONTH•] [•DAY•], 2010**

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UNIVERSAL SERVICE FUND SERVICES AND SUBSIDY AGREEMENT

THIS AGREEMENT is made as of [●Month●] [●Day●], 2010;

B E T W E E N:

USF, a company listed under the Companies Ordinance 1984 having its principal office at Fifth Floor, HBL Tower, Jinnah Avenue, Islamabad through its Chief Executive Officer, (hereinafter referred to as “USFCo”)

- and -

[●]

(hereinafter referred to as “USF Service Provider”).

WITNESSES THAT:

WHEREAS USFCo wishes to ensure the supply of certain USF Services to certain unserved and under-served areas and to facilitate the implementation of a USF Network to provide such services;

AND WHEREAS the USF Service Provider has been selected by USFCo through competitive process to construct the USF Network and provide the USF Services in certain unserved and under-served areas;

AND WHEREAS the USF Service Provider wishes to construct the USF Network and to provide USF Services upon and subject to the terms and conditions hereinafter set forth;

NOW THEREFORE, the parties hereto agree as follows:

ARTICLE ONE - INTERPRETATION

1.01 Definitions

In this Agreement, unless something in the subject matter or context is inconsistent therewith:

“**Act**” means the *Pakistan Telecommunication Act (Re-Organization) Act, 1996* (XVII of 1996) as may be amended, and any successor legislation;

“**Business Day**” means a day other than a Saturday, Sunday or statutory holiday in Pakistan;

“**Companies Ordinance**” means the *Companies Ordinance, 1984* as may be amended, or any successor legislation;

“Constating Instruments” includes any certificate of incorporation, certificate of continuance, memorandum and articles of association, by-laws, regulations or other instrument by which a body corporate is incorporated or continued under the Companies Ordinance or that governs or regulates the affairs of a body corporate;

“Control” of a Person that is not an individual means the ownership of at least 51% (fifty-one percent) of the voting interests in the subject Person; or the possession, directly or indirectly, of the power to direct or cause the direction of the management of that Person, whether through the ownership of shares, voting, securities, partnership or other ownership interests, agreement or otherwise;

“Customer Service Agreement” has the meaning ascribed thereto in Section 2.03(d);

“Effective Date” means the effective date of this Agreement, as recorded on the first page hereof;

“Final Implementation Date” means the date identified in paragraph 5 of Schedule D;

“Force Majeure Certification” has the meaning ascribed thereto in Section 13.01(c)(i);

“Force Majeure Event” has the meaning ascribed thereto in Section 13.01(h);

“Force Majeure Notice” has the meaning ascribed thereto in Section 13.01(a);

“GoP” means the Government of Pakistan;

“Indemnification Notice” has the meaning ascribed thereto in Section 12.01(b);

“Internet Access Services” means the services that the USF Service Provider is obliged to provide under Section 2.03(a) and Schedule B;

“Internet Applications Service” has the meaning ascribed thereto in Schedule B;

“Licence” means any telecommunications licence granted by the PTA to the USF Service Provider, prior to the Effective Date, which authorizes it to provide the USF Services;

“Muza” means the smallest part of the revenue system recognized by the Population Census Organization;

“Optional USF Services” means services that the USF Service Provider is authorized but not required to provide pursuant to this Agreement and any Licence;

“Parties” means USFCo and the USF Service Provider, and **“Party”** means any one of them;

“Performance Bond” has the meaning ascribed thereto in Section 6.01;

“Person” means any individual, firm, company, corporation, partnership, joint venture or other consortium, government or governmental entity;

“Private Internet Access Service” has the meaning ascribed thereto in Schedule B;

“Private Services” has the meaning ascribed thereto in Section 9.01(a)(v);

“Private Voice Telephony” has the meaning ascribed thereto in Schedule A;

“Project Implementation Milestones” means the milestones for the roll-out of the USF Network and provision of the USF Services, and related schedule for payment of the USF Subsidy, set out in Schedule D;

“Project Implementation Milestone Certification” has the meaning ascribed thereto in Schedule D;

“Project Implementation Milestone Notice” has the meaning ascribed thereto in Schedule D;

“Proposal” means the proposal submitted by the USF Service Provider, or the company or joint venture that incorporated the USF Service Provider, in response to the RFA;

“PTA” means the Pakistan Telecommunication Authority, a statutory body corporate established under section 3 of the Act, and its predecessors and successors;

“Public Call Office” means the Public Telephone facilities to be established by the USF Service Provider in accordance with Schedule A;

“Public Telephone” means any payphone, phone kiosk or other provisioning of telephones for public use in accordance with Schedule A;

“Public Voice Telephony” has the meaning ascribed thereto in Schedule A;

“Public Internet Access” has the meaning ascribed thereto in Schedule B;

“Relationship Executive Committee” has the meaning ascribed thereto in Section 10.01(d)(i);

“Relationship Liaison Committee” has the meaning ascribed thereto in Section 10.01(c)(i);

“Relationship Manager” has the meaning ascribed thereto in Section 10.01(b)(i);

“RFA” means the Request for Applications document issued by USFCo on 18 January, 2010, including all annexes thereto, as amended or modified by USFCo;

“Renewable Energy” means energy that is produced by alternative or renewable resources as compared to the conventional or that are replenished naturally, which do not deplete when consumed and are non-polluting and environmental friendly;

“Renewable Energy Solution” means solutions, systems or setups generating power from Renewable Energy;

“Report” means a Report required in accordance with Section 9.01;

“Technical Amendment” has the meaning ascribed thereto in Section 13.02(a);

“Technical Auditor” means the person appointed in accordance with Section 8.01(a);

“Telecenter” means the telephone, Internet and data service facilities to be established by the USF Service Provider in accordance with Schedule B;

“Telephony Services” means the services that the USF Service Provider is obliged to provide under Section 2.03(a) and Schedule A;

“Term” means the term of the Agreement identified in Section 15.01;

“USF Areas” means the cities, towns, villages or Muzas identified in Schedule C as being mandatory for USF Network and USF Service coverage;

“USFCo” means the USF (Guarantee) Limited, a body corporate established by the Government of Pakistan, and its successors;

“USF Contributor” means any Person whose License includes identified USF Contribution requirements, and who is identified by PTA as being fully compliant with those requirements;

“USF Network” means the licensed telecommunication system consisting of the telecommunications network facilities to be deployed by the USF Service Provider to provide USF Services pursuant to this Agreement;

“USF Rules” means the Universal Service Fund Rules, 2006 (as amended);

“USF Services and Subsidy Agreement” or **“Agreement”** means this agreement and all amendments made hereto by written agreement between the parties;

“USF Service Provider” means the Party, other than USFCo, identified on the first page of this Agreement (referred to as the “Contractor” in the USF Rules);

“USF Services” means the Telephony Services and the Internet Access Services;

“USF Subsidy” means the subsidy to be paid by USFCo to the USF Service Provider in accordance with the USF Services and Subsidy Agreement and includes USF Capex Subsidy and USF Opex Subsidy;

“USF CAPEX Subsidy” means the subsidy to be paid by USFCo to the USF Service Provider on the USF Service Provider achieving the Project Implementation Milestones; and

“USF OPEX Subsidy” means the subsidy to be paid by USFCo to the USF Service Provider for meeting Operational expenses as mentioned in Schedule D.

1.02 **Headings**

The division of this Agreement into Articles and Sections and the insertion of a table of contents and headings are for convenience of reference only and do not affect the construction or interpretation of this Agreement. The terms “hereof”, “hereunder” and similar expressions refer to this Agreement and not to any particular Article, Section or other portion hereof. Unless something in the subject matter or context is inconsistent therewith, references herein to Articles, Sections and Schedules are to Articles and Sections of and Schedules to this Agreement.

1.03 **Extended Meanings**

In this Agreement words importing the singular number only include the plural and *vice versa*, words importing any gender include all genders.

1.04 **Currency**

All references to currency herein are to Pakistan rupees (PKR), unless stated otherwise in this Agreement.

1.05 **Schedules**

The following are the Schedules annexed hereto and incorporated by reference and deemed to be part hereof:

- Schedule A – Telephony Services, Availability & Quality Specifications
- Schedule B – Internet Access Services, Availability & Quality Specifications
- Schedule C – USF Areas
- Schedule D – USF Project Implementation and Subsidy Payment Schedule
- Schedule E – Material Events of Default
- Schedule F – Performance Bond
- Schedule G – Environment Management Framework
- Schedule H – Technical Proposal
- Schedule I – Financial Proposal
- Schedule J – Bid Clarifications

ARTICLE TWO - PROVISION OF USF NETWORK AND USF SERVICES

2.01 **General**

Subject to the provisions of this Agreement, the USF Service Provider will construct the USF Network and provide the USF Services, and USFCo will provide the USF Subsidy to assist in meeting the costs of constructing the USF network for providing the USF Services in the USF Areas.

2.02 **Implementation of the USF Network**

- (a) The USF Service Provider shall implement the USF Network powered by Renewable Energy Solution as a source, in accordance with the Project

Implementation Milestones, and Final Implementation Date, identified in Schedule D.

- (b) In implementing the USF Network, the USF Service Provider shall comply with all planning and approvals processes, and applicable environmental guidelines including those identified in Article 17 and Schedule G.

2.03 **Provision of USF Services**

- (a) The USF Service Provider shall provide the USF Services in accordance with the service specifications and requirements identified in Schedules A and B.
- (b) The USF Service Provider shall provide the USF Services in the USF Areas identified in Schedule C as being mandatory for USF Network and USF Service coverage in accordance with the network and service roll-out requirements identified in Schedule D.
- (c) In addition to the USF Services, the USF Service Provider may provide any other services authorized by the Licence or another PTA-issued licence held by the USF Service Provider in Pakistan.
- (d) The USF Services shall be provided by the USF Service Provider pursuant to an agreement (the “Customer Service Agreement”) with each subscriber or user of the USF Services. The Customer Service Agreement shall be in a form approved by the PTA.

2.04 **Service Availability and Quality**

The USF Service Provider shall provide the USF Services in accordance with the quality of service requirements identified in Schedules A and B any quality of service requirements identified in the USF Service Provider’s Licence and any quality of service regulations issued by PTA.

2.05 **Facilities Access and Sharing**

- (a) As required pursuant to Rule 27 of the USF Rules, the USF Service Provider shall share the USF Network infrastructure and facilities with at least one requesting USF contributor, on a first come first served basis and at cost based rates and at rates based on reasonable cost.
- (b) Where the USF Service Provider and USF contributor requesting facilities access are not able to successfully negotiate the terms of access, following a reasonable period of good faith negotiation, either party may request the assistance of the PTA in resolving the disputed terms.
- (c) In determining whether rates for infrastructure sharing are based on reasonable cost, or to assist in resolving any other dispute regarding the terms of facilities access, USFCo shall be entitled to disclose information obtained by it pursuant to Section 16.01 to the PTA.

- (d) The USF Service Provider shall also comply with any facilities sharing requirements set out in regulations, guidelines, decisions or orders issued by the PTA.

2.06 **USF Service Charges**

- (a) The USF Service Provider's charges for the USF Services shall not exceed the USF Service Provider's National or Regional tariffs for the same or equivalent services provided in urban locations that are not included in the USF Areas. To determine compliance with this Section 2.06, reference shall be made to the PTA's then-current records of USF Service Provider tariffs.
- (b) For Public Voice Telephony or Public Internet Access services (as those services are defined in Schedules A and B), or for any other USF Services which are not subject to a National or Regional tariff filed by the USF Service Provider, service charges in the USF Areas shall not exceed the maximum charges for equivalent services in the closest major population centre not included in the USF Areas.

ARTICLE THREE - OWNERSHIP AND CONTROL

3.01 **Ownership and Operation of USF Network**

- (a) The USF Services shall be provided primarily over network transmission and access facilities (i.e. wires, fibre optic lines, cables, wireless base-stations, satellite stations, microwave repeaters, etc.) owned and operated by the USF Service Provider.
- (b) The USF Service Provider may extend the reach or capability of its USF Network by acquiring facilities or services from another network operator on a resale basis, that is by transmission over the networks of other operators or by means of leased line services acquired from other telecommunications operators.
- (c) Regardless of whether the USF Services are provided in accordance with Sections 3.01(a) or (b), the obligations hereunder to implement the USF Network and to provide the USF Services remain entirely those of the USF Service Provider.

3.02 **Change of Control of USF Service Provider**

For so long as the Performance Bond provided by the USF Service Provider pursuant to Section 6.01 remains in place, the prior written consent of USFCo will be required for any change of Control of the USF Service Provider.

ARTICLE FOUR - IMPLEMENTATION AND SERVICE FAILURES

4.01 **Failure to Meet Project Implementation Milestone Schedule**

- (a) Unless a Force Majeure Certification has been issued to certify that a Force Majeure Event has caused the failure, then failure to meet the Final

Implementation Date identified in Schedule D may, at the sole discretion of USFCo, result in the imposition of one or more of the penalties set out below:

- (i) loss of eligibility for all or part of the USF Subsidy;
 - (ii) forfeiture of all or part of the Performance Bond;
 - (iii) payment of liquidated damages equal to one-half of one percent (0.5%) of the USF Subsidy amount payable for the work that is delayed, and such half percent shall be payable per every week the failure continues;
 - (iv) repayment of any USF Subsidy amounts previously paid to the USF Service Provider;
 - (v) payment of liquidated damages equal to all or part of USFCo's estimate of the costs of providing the USF Services in the USF Areas left unserved due to the failure, provided that the total amount of such liquidated damages shall not exceed the amount of the USF Subsidy payable to the USF Service Provider for the provision of the USF Services in the USF Areas.
- (b) Such penalty or penalties shall be specified in a written notice delivered by USFCo to the USF Service Provider in accordance with Section 16.11. The penalty or penalties shall become effective in the manner specified in such notice.

4.02 **Failure to Maintain Service Availability and Quality Specifications**

- (a) Unless a Force Majeure Certification has been issued to certify that a Force Majeure Event has caused the failure, then failure of the USF Service Provider to maintain the Service Availability and Quality Specifications for the USF Services as set out in Schedule A or B may, at the sole discretion of USFCo, result in the imposition of one or more of the penalties set out below:
- (i) loss of eligibility for all or part of the USF Subsidy;
 - (ii) forfeiture of all or part of the Performance Bond;
 - (iii) repayment of any USF Subsidy amounts previously paid to the USF Service Provider;
 - (iv) taking possession of USF Network equipment and the exercise of any other remedies or rights by USFCo under the equipment lien created pursuant to Section 6.02.
- (b) Such penalty or penalties shall be specified in a written notice delivered by USFCo to the USF Service Provider in accordance with Section 16.11. The penalty or penalties shall become effective in the manner specified in such notice.

4.03 **Additional Penalties or Remedies**

The penalties described in Sections 4.01 and 4.02 are in addition to any other penalties or remedies that may otherwise be available to USFCo under this Agreement or the laws of Pakistan.

ARTICLE FIVE - PAYMENT OF THE USF SUBSIDY

5.01 Payment of USF Subsidy

USFCo shall pay the USF Service Provider the USF Subsidy in accordance with the subsidy instalment payments identified in Schedule D.

ARTICLE SIX - PERFORMANCE SECURITY

6.01 **Performance Bond**

- (a) The USF Service Provider shall furnish USFCo with an irrevocable bank guarantee in the form specified in Schedule F / F (1), or other form of performance guarantee acceptable to USFCo (the “Performance Bond”).
- (b) The maximum amount of the Performance Bond shall be 40% of the USF Capex Subsidy to the USF service provider. The validity of the Performance Bond will be 5 years, however the USF Service Provider shall have the option to submit a single Performance Bond valid for 5 years or successive five annual Performance Bonds with minimum one year validity in accordance with Schedule “F” or F/1. In case USF Service Provider opts for successive five annual Performance Bonds option then it shall :
 - 1. submit first Performance Bond as per requirements of this RFA with validity of one year;
 - 2. submit second Performance Bond of same value with minimum one year validity, one month before the expiry date of the first Performance Bond. Similarly it shall submit third, fourth and fifth performance bond annually, provided that the expiry date of the fifth performance Bond shall be the same as the expiry date of the 5 year Performance Bond would have been;.
 - 3. be entitled, after submitting the new Performance Bond, to get released previous Performance Bond from USFCo within 05 days of the effective date of the new Performance Bond ;
 - 4. not have the right to expect or demand a reminder from USFCo regarding expiry of any of the Performance Bonds or submission of new Performance Bond; and
 - 5. not object to encashment of Performance Bond by USFCo in its custody because of late or non-submission of new Performance Bond..

- (c) The Performance Bond shall be issued by a commercial bank recognised by State Bank of Pakistan, having a branch office in Pakistan, and that is otherwise acceptable to USFCo.
- (d) The Performance Bond shall be maintained for the period identified in Schedule F or in F (1), commencing from the Effective Date.
- (e) The Performance Bond shall be forfeited, in whole or in part, by the USF Service Provider as provided for in Article Four.

6.02 Equipment Lien

As required pursuant to Rule 26(6) of the USF Rules, all equipment deployed by the USF Service Provider in implementing the USF Network shall be subject to a lien exercisable by USFCo pursuant to the documented terms of the lien and Section 4.02 (a) (iv). The equipment lien shall have a maximum value equal to the total value of the USF Capex Subsidy. The USF Service Provider shall execute any documents required to substantiate the lien or to support its enforceability.

ARTICLE SEVEN - INSURANCE

7.01 Insurance

The USF Service Provider shall maintain or cause to be maintained on behalf of itself and all subcontractors to whom the USF Service Provider has subcontracted (in relation to the implementation or operation of the USF Network or provision of the USF Services) at all times during the Term of this Agreement, in a form and with insurers acceptable to USFCo, the following types of insurance:

- (a) **Commercial General Liability Insurance** – Commercial general liability insurance covering liability imposed by law or assumed under contract arising from bodily injury, death or property damage including loss of use, with minimum combined limits of not less than PKR 50,000,000/- [Rupees Fifty Million only] per occurrence. Such policy or policies shall be on an occurrence basis and shall provide coverage for full legal defence costs, premises and operational liability, and blanket broad form contractual liability and property damage coverage (including malicious property damage). The policy or policies shall name USFCo as additional insured.
- (b) **Property Insurance** – Property insurance covering property and assets used to operate the USF Network including Renewable Energy Solution and provide the USF Services on a blanket form basis for all risks of physical loss or damage, with minimum limits equal to the full replacement cost value of the property. The basis of loss settlement shall be replacement cost with like kind and quality.

7.02 **General**

- (a) All insurance provided for in Section 7.01 shall be effected with valid and enforceable policies issued by insurance companies that are licensed to do business in Pakistan.
- (b) All policies shall be endorsed to contain an agreement by the insurer that the coverage will not be cancelled or materially changed to the detriment of USFCo, without at least 30 days' prior written notice to USFCo.
- (c) Within 30 days of the Effective Date, the USF Service Provider shall have the insurance specified herein in full force and effect and shall provide USFCo with certificates of insurance as evidence of such insurance in such form and scope acceptable to USFCo. Such proof of insurance shall be updated to maintain its accuracy, within 14 days of any change in coverage. The USF Service Provider shall notify USFCo promptly and in writing in the event of any termination, expiry, lapse or change in insurance coverage.
- (d) The insurance requirements herein do not limit or modify any liability that would otherwise exist or create any liability that would otherwise not exist under this Agreement in the absence of such insurance requirements.

7.03 **Changes in the Insurance Industry**

The Parties agree that should any change in the insurance industry materially impact the USF Service Provider's ability to obtain the insurance and insurance coverage levels set forth in this Article Seven, the Parties will assess such impact and, if deemed necessary by the Parties, negotiate in good faith any amendments to this Article Seven to account for such insurance industry changes, provided however, that nothing herein shall require USFCo to approve of any such amendment.

ARTICLE EIGHT - TECHNICAL AUDITOR

8.01 **Appointment of Technical Auditor**

- (a) Within 60 days following the Effective Date, USFCo shall appoint a person as the "Technical Auditor" under this Agreement.
- (b) The Technical Auditor may be an external consultant who shall be a person of demonstrated telecommunications engineering expertise.
- (c) Where the Technical Auditor is an external consultant, USFCo shall enter into an agreement (the "Technical Auditor Agreement") with the Technical Auditor. The Technical Auditor Agreement shall:
 - (i) define the role of the Technical Auditor in accordance with this Agreement;

- (ii) prescribe the methodology, tests and reporting structure to be used by the Technical Auditor in performing his or her role;
- (iii) set out the fees to be payable, and expenses to be reimbursable, to the Technical Auditor; and
- (iv) contain any other provisions that USFCo determines necessary to give effect to the appointment and for the performance of the functions of the Technical Auditor identified in this Agreement.

Once executed, USFCo shall make a copy of the Technical Auditor Agreement available to the USF Service Provider.

- (d) USFCo shall be solely responsible for the selection of Technical Auditor and for any fees to be payable, and expenses to be reimbursable, to the Technical Auditor.
- (e) If the Technical Auditor resigns or otherwise ceases to perform the intended functions before the end of this Agreement, or if USFCo decides to replace the Technical Auditor at any time, USFCo shall appoint a replacement Technical Auditor who, for all purposes of this Agreement, shall from and after such appointment perform the functions of the Technical Auditor.
- (f) If the Technical Auditor has been replaced during the execution of the project USFCo will inform the USF Service Provider about this change.

8.02 **Role of Technical Auditor**

The Technical Auditor shall perform the following functions, in accordance with this Agreement and the Technical Auditor Agreement:

- (a) making a determination as to whether or not any of the USF Network Project Implementation Milestones identified in Schedule D have been met, which may include, but is not limited to, one or more of the following:
 - (i) making a determination as to whether or not the USF Services meet the service specifications and requirements identified in Schedules A and B;
 - (ii) verifying that all USF Network is powered by Renewable Energy Solution as a (primary or secondary) source;
 - (iii) issuing a Project Implementation Milestone Certification to the Parties to indicate that a Project Implementation Milestone has been completed in accordance with Schedule D; and
 - (iv) issuing an indication in writing to the Parties that a Project Implementation Milestone has not been completed in accordance with Schedule D; and

- (b) making a determination as to whether or not a Force Majeure Event exists in accordance with Article Thirteen, which may include, but is not limited to, one or more of the following:
 - (i) issuing a Force Majeure Certification in accordance with Article Thirteen;
 - (ii) issuing an indication in writing to the Parties that a Force Majeure Event has not occurred in accordance with Article Thirteen; and
 - (iii) proposing a Technical Amendment made in accordance with Article Thirteen.

8.03 **Cooperation with Technical Auditor**

The USF Service Provider shall co-operate with the Technical Auditor, in performing his or her functions pursuant to this Agreement and the Technical Auditor Agreement, including by:

- (a) providing access to all USF Network facilities and systems, including for equipment testing purposes, statistical data collection, reporting etc; and
- (b) providing any information regarding the USF Network or the USF Services requested by the Technical Auditor, and related access to technical personnel of the USF Service Provider.

ARTICLE NINE - REPORTING

9.01 **Reports**

- (a) The USF Service Provider shall provide to USFCo, within 60 days of the Effective Date and for each calendar quarter (three months) thereafter throughout the Term of this Agreement, a report (the “Report”), which shall include:
 - (i) a detailed USF Network implementation plan and network description with details of Renewable Energy Solution;
 - (ii) detailed report on the achievement of the Project Implementation Milestones set out in Schedule D, which should also highlight the risks and bottlenecks during the implementation phase with their proposed measures and the forecasted project progress against the milestones set out in Schedule D;
 - (iii) a report on the achievement of the quality of service and other service requirements for the USF Services set out in Schedules A and B, including details regarding service maintenance and the time required to repair service outages;
 - (iv) a report on general demand for and usage of the USF Services, and the USF Service Provider’s current charges for the USF Services;

- (v) a report on demand for the Private Voice Telephony and Private Internet Access services (altogether the “Private Services”), indicating:
 - (I) technical capacity and readiness of the USF Network to provide the Private Services;
 - (II) the USF Service Provider’s marketing and distribution plan for the Private Services;
 - (III) the number of requests received by the USF Service Provider for the Private Services;
 - (IV) the number of requests received by the USF Service Provider for the Private Services that remain outstanding; and
 - (V) the average time it takes for the USF Service Provider to fulfil a request for the Private Services; and
- (vi) such other information as determined by the Relationship Liaison Committee.
- (b) The Reports shall be filed by the USF Service Provider with USFCo within 30 days of the end of the relevant quarter.
- (c) The Reports shall be in a form satisfactory to the USFCo. Any disputes regarding the form of the reports shall be handled in accordance with Article Ten.

ARTICLE TEN - DISPUTE RESOLUTION

10.01 Dispute Escalation Process

- (a) The Parties shall act reasonably in interpreting this Agreement and the Schedules hereto. In the event of a dispute under this Agreement, the Parties will first engage in the dispute escalation processes identified in this Section 10.01. The Parties also agree to use reasonable good faith efforts to resolve all disputes.
- (b) **Resolution by Relationship Managers**
 - (i) Each of the Parties will appoint managers (each a “Relationship Manager”) within 30 days of the Effective Date. Each Relationship Manager will be familiar with this Agreement and related documentation. If a Party replaces or reassigns its Relationship Manager, that Party will immediately notify the other Party of the change.
 - (ii) Either Party may refer a dispute to the Relationship Managers by preparing a written notice describing the nature of the dispute and summarizing related information (the “Dispute Notice”). The Relationship Managers will meet within three Business Days of receipt of the Dispute

Notice to review the information with the objective of resolving the dispute.

(c) Resolution by Relationship Liaison Committee

- (i) A committee (the “Relationship Liaison Committee”) will be formed by the Parties and shall consist of an equal number of representatives appointed by each of the Parties.
- (ii) If the Relationship Managers are unable to resolve the dispute within ten Business Days of the receipt of the Dispute Notice, either Relationship Manager may refer the matter to the Relationship Liaison Committee by written notice to the other Relationship Managers. Within five Business Days of the Relationship Liaison Committee’s receipt of such referral, the Relationship Liaison Committee shall meet with the objective of resolving the dispute. A representative of each of the Parties shall co-chair each meeting. Minutes of each meeting will be taken.
- (iii) The Relationship Liaison Committee will have the discretion to form additional committees or subcommittees for any purpose it deems appropriate, with the ultimate objective of resolving the dispute.
- (iv) The Relationship Liaison Committee or any additional committees or subcommittees formed by the Relationship Liaison Committee in relation to the dispute will, at either Parties’ reasonable request, meet as often as reasonably required with the objective of resolving the dispute. Minutes of all meetings will be taken.

(d) Resolution by Relationship Executive Committee

- (i) A committee (the “Relationship Executive Committee”) will be formed by the Parties and shall include USFCo’s Chief Executive Officer and the USF Service Provider’s [●]. [*title of appropriate executive officer of winning bidder to be inserted*]
- (ii) If the Relationship Liaison Committee is unable to resolve the dispute within fifteen Business Days of the receipt of the Dispute Notice, either Party may refer the matter to the Relationship Executive Committee by written notice to the other Party. Within five Business Days of the Relationship Executive Committee’s receipt of such referral, USFCo’s Chief Executive Officer will meet with the USF Service Provider’s [●] with the object of resolving the dispute. Minutes of the meeting shall be taken.
- (iii) If the Relationship Executive Committee is unable to resolve the dispute within fifteen Business Days of the receipt of the Dispute Notice, then either Party may:

- (I) refer the dispute to the Appeal Committee in accordance with Section 10.02; or
- (II) commence arbitration or court proceedings in accordance with Section 10.03.

10.02 **Referral to Appeal Committee**

Any dispute that has not been resolved by application of the Disputes Escalation Process described in Section 10.01 may be referred to the Appeal Committee to be constituted pursuant to Rule 31 of the USF Rules.

10.03 **Arbitration or Court Proceedings**

Any dispute that has not been resolved by application of the Disputes Escalation Process described in Section 10.01, or that is not pending before the Appeal Committee pursuant to Section 10.02, may become the subject of arbitration or court proceedings commenced by either Party in accordance with applicable rules and procedures.

10.04 **Dispute Resolution Costs**

The Parties shall be responsible for their own dispute resolution costs, unless the arbitrator or court orders otherwise.

10.05 **Exemption from Dispute Resolution Processes**

Notwithstanding anything to the contrary in this Agreement:

- (a) Neither Party will be required to use the dispute escalation process described in Section 10.01 for disputes requiring injunctive relief or other urgent relief.
- (b) The dispute resolution processes described in this Article Ten apply only to disputes arising under this Agreement. They do not apply to disputes arising under any licence, the Act or any other regulatory matters, which shall be dealt with by PTA in accordance with the Act and applicable PTA regulations and procedures.
- (c) Nothing in this Article Ten derogates from PTA's rights or powers under the Act. The provisions of Article 10 are subject to the Act and any regulations made there under. For greater certainty, if and to the extent there are conflicts in the interpretation or application of any of the provisions of this Article 10 with the provisions of the Act or related regulations, the Act and regulations shall prevail.

ARTICLE ELEVEN - REPRESENTATIONS AND WARRANTIES

11.01 **Mutual Representations and Warranties**

Each of the USF Service Provider and the USFCo represents and warrants to the other that:

- (a) it is duly organized and validly existing under the laws of Pakistan;
- (b) that it has all right and authorization, and has obtained all consents necessary or desirable to execute, deliver and perform this Agreement;
- (c) nothing in this Agreement, nor the performance of any obligations thereunder, will conflict with such party's Constatng Instruments, any law or any other person's rights; and
- (d) to the best of its knowledge, there are no pending suits threatened against such party that would affect the USF Services or the performance of obligations under this Agreement.

11.02 **Representations and Warranties of USF Service Provider**

The USF Service Provider further represents and warrants to USFCo that:

- (a) unless the USF Service Provider obtains USFCo's prior written approval, all telecommunications facilities and equipment installed by the USF Service Provider in its USF Network shall be new when first installed and shall comply with Pakistani type-approval requirements and internationally recognized standards;
- (b) the USF Network constructed by it and the USF Services provided by it shall at all times comply with all applicable Pakistani laws and regulations including, but not limited to, telecommunications, environmental, import and export regulations;
- (c) all telecommunications facilities, equipment and Renewable Energy Solution installed by the USF Service Provider in its USF Network will be maintained by the USF Service Provider in good working order, ordinary wear and tear excepted;
- (d) the USF Network constructed by it and the USF Services provided by it will meet or exceed the specifications identified in the Proposal;
- (e) it has, and will have (either by itself, or in conjunction with its affiliates, or its subcontractors), the skills, qualifications, expertise and experience necessary to construct and operate the USF Network and perform and manage the USF Services in accordance with this Agreement;
- (f) all representations and warranties made in the Proposal as to facts materially related to the USF Network and USF Services, including facts pertaining to the USF Service Provider's corporate structure, organization, operations, general skills and capabilities relevant to the USF Network and USF Services, remain true and correct and will be observed by the USF Service Provider in all material respects; and

- (g) the USF Service Provider is under no current obligation or restriction, nor will it knowingly assume any such obligation or restriction, that does or would in any way interfere or conflict with the operation of this Agreement.

ARTICLE TWELVE - INDEMNIFICATION

12.01 Indemnification

- (a) The USF Service Provider hereby indemnifies and agrees to save harmless Universal Service Fund, USFCo and GoP from any and all claims, damages, judgments, liens, suits, costs and expenses of any nature or kind whatsoever that may be successfully claimed or asserted by any person against USFCo arising out of, or in connection with, the implementation or operation of the USF Network or the supply or failure to supply the USF Services.
- (b) The USF Service Provider's obligation to indemnify and hold USFCo harmless is contingent on USFCo giving the USF Service Provider prompt notice of any event giving rise to such a claim (an "Indemnification Notice") and giving the USF Service Provider the authority to conduct the defence of any legal action arising therefrom, provided however that USFCo may assist the USF Service Provider in such defence at its own expense and retain additional counsel at its own expense to observe or participate in any such litigation.

ARTICLE THIRTEEN - FORCE MAJEURE

13.01 Force Majeure

- (a) If and to the extent that a Party's performance of any of its obligations pursuant to this Agreement is prevented, hindered or delayed by reason of a Force Majeure Event and such non-performance, hindrance or delay could not have been prevented by reasonable foresight or precautions, and cannot reasonably be circumvented through the use of alternate sources, work-around plans or other means, then the non-performing, hindered or delayed Party may give written notice (a "Force Majeure Notice") to the other Party.
- (b) A Force Majeure Notice shall contain reasonable particulars of the Force Majeure Event in question and the effect of such Force Majeure Event as it relates to the obligations of the non-performing, hindered or delayed Party hereunder.
- (c) Within 10 Business Days of receipt of the Force Majeure Notice, the other Party shall either:
 - (i) certify in writing (a "Force Majeure Certification") to the non-performing, hindered or delayed Party that a Force Majeure Event has occurred; or
 - (ii) indicate in writing to the non-performing, hindered or delayed Party that a Force Majeure Event has not occurred, providing reasons for this conclusion.

- (d) Where the other Party has issued a Force Majeure Certification in response to a Force Majeure Notice in accordance with Section 13.01(c), the Parties may agree to amend this Agreement in such a way that adapts to the circumstances of the Force Majeure Event while providing similar value for money as the original Agreement and achieving the objective of extending USF Network facilities and USF Services into rural communities that do not then have access to such types and capacities of telecommunications facilities and services.
- (e) Where the other Party has not issued a Force Majeure Certification in response to a Force Majeure Notice in accordance with Section 13.01(c), the non-performing, hindered or delayed Party may give a copy of the Force Majeure Notice to the Technical Auditor, provided that it notifies the other Party in writing that it has elected to do so.
- (f) Within 10 Business Days of receipt of the Force Majeure Notice, the Technical Auditor will either:
 - (i) issue a Force Majeure Certification indicating to the Parties that a Force Majeure Event has occurred and whether a Technical Amendment to this Agreement is required in accordance with Section 13.02; or
 - (ii) indicate in writing to the Parties that a Force Majeure Event has not occurred, providing reasons for this conclusion.
- (g) Where a Force Majeure Certification has been issued in response to the Force Majeure Notice of either Party, such non-performance, hindrance or delay, as applicable, of those obligations affected by the Force Majeure Event will not constitute a default hereunder by that Party for as long as such Force Majeure Event continues and such Party continues to use its reasonable commercial efforts to re-commence performance whenever and to whatever extent possible without delay, including through the use of alternate sources, workaround plans or other means.
- (h) For the purpose of this Agreement, “Force Majeure Event” means any of the following events beyond the control of the Parties:
 - (i) With respect to the obligations of both parties:
 - (I) lightning, storms, earthquakes, landslides, floods, tsunamis, washouts and other Acts of God;
 - (II) strikes, lockouts or other industrial disturbances of the party;
 - (III) civil disturbances, sabotage, war, blockades, insurrections, terrorist actions, vandalism, riots, epidemics;
 - (IV) any law, order proclamation, regulation, ordinance, demand or requirement of any governmental authority;

- (V) any other material event that could reasonably be considered to be force majeure by reason that it is beyond the control of the Party affected; and
- (ii) With respect to the obligations of the USF Service Provider alone, substantial or material fires, explosions, breakage of or other accidents to plant, machinery, equipment or other facilities of the USF Service Provider;

but does not include the inability of either Party to obtain financing or any other financial inability on the part of either Party.

13.02 **Technical Amendments**

- (a) Where the Technical Auditor issues a Force Majeure Certification to the Parties in accordance with Section 13.01, indicating that a Force Majeure Event has prevented the implementation, activation or operation of the USF Network or the provision of the USF Services in certain parts of the USF Areas described in Schedule C or in accordance with the implementation and payment schedule described in Schedule D, the Technical Auditor may prepare proposed amendments to one or more of Schedules C and D, and submit the proposed amendments (a “Technical Amendment”) in writing to the Parties.
- (b) If the Technical Auditor submits a Technical Amendment in accordance with Section 13.02(a), then one or more of the following Schedules to this Agreement may also be the subject of amendments to be proposed by the Technical Auditor, to the extent that, in the professional opinion of the Technical Auditor, such further amendments are required by the Technical Amendment:
 - (i) Schedule A – Telephony Services, Availability and Quality Specifications;
 - (ii) Schedule B – Internet Access Services, Availability and Quality Specifications;
 - (iii) Schedule F – Performance Bond.
- (c) Notwithstanding any other provisions of this Article, any Technical Amendment must be prepared by the Technical Auditor in accordance with the following:
 - (i) the Technical Auditor shall consult with USFCo and the USF Service Provider prior to submitting the Technical Amendment;
 - (ii) the Technical Amendment shall, in the professional opinion of the Technical Auditor, provide similar value for money as the original Schedule C and other Schedules to this Agreement, and achieve substantially the same universal service objectives; and
 - (iii) the Technical Amendment shall not increase the costs of implementing the USF Network or providing the USF Services.

- (d) Any dispute regarding a Technical Amendment submitted by the Technical Auditor shall be handled in accordance with Article Ten.

13.03 No Payment for Unperformed Services

- (a) If the USF Service Provider fails to construct the USF Network or provide the USF Services in accordance with this Agreement due to a Force Majeure Event, any USF Subsidy payments will be adjusted in a manner such that USFCo is not responsible for any payment for a Project Implementation Milestone that the USF Service Provider fails to meet.
- (b) Where a Project Implementation Milestone is only partially completed due to a Force Majeure Event for which a Force Majeure Certification has been issued, and the Force Majeure Event is likely to continue for a substantial period of time, the payment for such Project Implementation Milestone for the period of the Force Majeure Event will be adjusted on an equitable basis taking into account, among other things, the length of the resulting delay and the progress achieved towards the Project Implementation Milestone.

13.04 Duration of Force Majeure Event Beyond Six Months

Notwithstanding anything to the contrary in this Agreement, if a Force Majeure Event during which the USF Service Provider is unable to complete one or more Project Implementation Milestones in accordance with this Agreement, lasts for more than six months, then:

- (a) subject to section 13.03(b), USFCo will have no obligation whatsoever to pay part of the USF Subsidy for the uncompleted work or any future work of the USF Service Provider under this Agreement; and
- (b) the USF Service Provider may be deemed by USFCo to be in material breach of this Agreement in accordance with section 15.03, at USFCo's sole discretion; however, USFCo shall not be entitled to exercise any of the remedies identified in Sections 4.01 and 4.02 in connection with the circumstances of the Force Majeure event.

ARTICLE FOURTEEN - CONFIDENTIALITY

14.01 Confidentiality

Except as specifically provided for in this Agreement or as required by applicable laws or regulation, or, neither USFCo nor the USF Service Provider, nor any of their respective employees, agents, servants or subcontractors may disclose any confidential or trade secret information provided by one to the other with respect to the USF Network or the USF Services or any other matter pertaining to this Agreement without the prior written consent of the other. Each party must retain such information in strict confidence for the benefit of the other party, provided that the foregoing will not apply to any information that either party establishes as being already in the public domain or already known to the party receiving the information, without violation of this Agreement.

ARTICLE FIFTEEN - TERM AND TERMINATION

15.01 Term

This Agreement commences on the Effective Date and continues for a term of ten (10) years ending on [●], 2020 (the “Term”).

15.02 Termination – Bankruptcy, Winding Up, Etc.

- (a) This Agreement and the rights and obligations of each Party contained herein may be terminated by USFCo giving notice to the USF Service Provider forthwith upon the happening of any of the following events of default:
 - (i) where the USF Service Provider takes any action in respect of liquidation or winding up, or makes an assignment for the benefit of creditors, or if a winding up, bankruptcy or similar petition under the Companies Ordinance is filed or presented by the USF Service Provider in respect of its properties or assets, or a judgment or order is entered by any court of competent jurisdiction approving any such petition or petition seeking the reorganization, arrangement or composition of or in respect to the USF Service Provider or its debts or obligations, or if a custodian or receiver or receiver and manager or any other official with similar powers be appointed for the USF Service Provider or a substantial portion of its properties or assets and such appointment is not dismissed or discharged within 30 days thereof; or
 - (ii) where a winding up, bankruptcy or similar petition with respect to an enforced liquidation of the USF Service Provider is presented or filed against it unless the same is dismissed or discharged within 30 days, during which grace period execution thereunder is effectively stayed.
- (b) If an event of default pursuant to Section 15.02(a) occurs and USFCo wishes to terminate this Agreement, USFCo must give the USF Service Provider notice of its decision to terminate within 60 days of such default coming to its attention.

15.03 Termination – Material Breach

- (a) Subject to Section 15.03(b), if any Party commits a material breach of this Agreement, the Parties agree that the other Party not in default has the right to terminate the Agreement; provided that the Party not in default gives the other Party who is in default not less than 30 days prior written notice of the default complained of during which period the Party alleged to be in default has an opportunity to cure the same and if the default is cured within such period, the other Party is not entitled to terminate the Agreement.
- (b) Schedule E is a list of defaults which the Parties acknowledge as constituting material events of default and for which the other party should be entitled to terminate the Agreement pursuant to this Section 15.03.

15.04 **Termination – Remedies**

- (a) On termination by the USFCo pursuant to Sections 15.02 or 15.03, the USFCo shall be entitled to exercise any of the remedies identified in Sections 4.01 and 4.02 that are applicable in the circumstances of the performance failure leading to the termination.
- (b) On termination by the USF Service Provider pursuant to Section 15.03, the USF Service Provider shall be entitled to payment of all USF Subsidy instalments payable pursuant to Schedule D for Project Implementation Milestones achieved prior to the effective date of termination.
- (c) The provisions of this Article Fifteen as to termination do not limit or restrict the rights of either party, to seek other remedies or take measures that may be otherwise available to it at law or equity in connection with the enforcement and performance of obligations under this Agreement.

ARTICLE SIXTEEN - GENERAL

16.01 **Records, Audit and Inspection**

- (a) The USF Service Provider shall maintain all records required for preparation of the reports described in Section 9.01. The USF Service Provider shall also maintain complete records of its network plans, contracts entered into, expenses incurred in connection with the implementation of the USF Network and the provision of the USF Services, and any other records required for compliance with its obligations under this Agreement.
- (b) USFCo shall have the right to send its auditors or other appointed representatives, on at least 24 hours prior notice, to the USF Service Provider's places of business for the purpose of auditing or otherwise inspecting the information and records of the USF Service Provider pertaining in any way to the performance of this Agreement.

16.02 **Time of the Essence**

Time is of the essence of this Agreement.

16.03 **Expenses**

Each of the Parties hereto will pay their respective legal and accounting costs and expenses incurred in connection with the preparation, execution and delivery of this Agreement and all documents and instruments executed pursuant hereto and any other costs and expenses whatsoever and howsoever incurred.

16.04 **Public Announcements**

No public announcement or press release concerning this Agreement will be made by the USF Service Provider without the prior consent and approval of USFCo.

16.05 **Benefit of the Agreement**

This Agreement will enure to the benefit of and be binding upon the respective heirs, executors, administrators, successors and permitted assigns of the Parties hereto.

16.06 **Entire Agreement**

This Agreement constitutes the entire agreement between the Parties hereto with respect to the subject matter hereof and cancels and supersedes any prior understandings and agreements between the Parties hereto with respect thereto. There are no representations, warranties, terms, conditions, undertakings or collateral agreements, express, implied or statutory, between the Parties other than as expressly set forth in this Agreement.

16.07 **Severability**

If any provision of this Agreement is determined to be invalid or unenforceable in whole or in part, such invalidity or unenforceability will attach only to such provision or part thereof and the remaining part of such provision and all other provisions hereof will continue in full force and effect. In the event of any such invalidity or unenforceability, the Parties agree to engage in good faith efforts to determine any amendments to the Agreement required to preserve its intended purpose and effect.

16.08 **Amendments and Waiver**

No modification of or amendment to this Agreement is valid or binding unless set forth in writing and fully executed by both of the Parties hereto and no waiver of any breach of any term or provision of this Agreement is effective or binding unless made in writing and signed by the Party purporting to give the same and, unless otherwise provided, is limited to the specific breach waived.

16.09 **Assignment**

This Agreement may not be assigned by the USF Service Provider without the prior written consent of USFCo.

16.10 **Subcontractors and Other Suppliers**

Subject to Section 13.01, the USF Service Provider shall remain responsible for the due performance of this Agreement regardless of its engagement of subcontractors or other suppliers.

16.11 **Notices**

Any demand, notice or other communication to be given in connection with this Agreement must be given in writing and must be given by personal delivery or such other method as agreed to by the Relationship Liaison Committee, addressed to the recipient as follows:

To USFCo:

USFCo
Fifth Floor, HBL Tower, Jinnah Avenue,
Islamabad
Pakistan

Attention: Chief Executive Officer

To USF Service Provider:

[insert corporate name and address]

Attention: *[insert title]*

or to such other address or individual as may be designated by notice given by either Party to the other. Any demand, notice or other communication given by personal delivery will be conclusively deemed to have been given on the day of actual delivery thereof.

16.12 **Governing Law**

- (a) This Agreement is governed by and construed in accordance with the laws of Pakistan.
- (b) Notwithstanding anything to the contrary in this Agreement:
 - (i) nothing in this Agreement derogates from USFCo's rights or powers under the Act or any rules or regulations made thereunder;
 - (ii) the provisions of this Agreement are subject to the Act, any rules or regulations made thereunder, and any Licence; and
 - (iii) for greater clarity, if and to the extent there are conflicts in the interpretation or application of any of the provisions of this Agreement with the provisions of the Act, or any rules or regulations made thereunder, the provisions of the Act shall prevail.

ARTICLE SEVENTEEN - COMPLIANCE WITH ENVIRONMENTAL LAWS AND IMPLEMENTATION OF ENVIRONMENTAL MANAGEMENT FRAMEWORK (EMF).

17.01

It shall be the responsibility of the USF Service Provider to comply with all Federal, provincial or local environmental laws, rules and regulations including laws relating to Alternate or Renewable Energy applicable in Pakistan, including, without limitation, the laws referred to in the Environmental Assessment by the World Bank Consultant which is attached as Schedule G.

17.02

The USF Service Provider shall also comply with the Environmental Management Framework (EMF) and related processes described in Schedule G.

[end of Agreement]

IN WITNESS WHEREOF the Parties have executed this Agreement.

USFCo

Per: _____
[insert name], Chief Executive Officer
c/s

USF SERVICE PROVIDER

Per: _____
[insert name and title]
c/s

SIGNED, SEALED AND DELIVERED)
in the presence of:)

Witness for USFCo)

[insert name]

Witness for USF Service Provider)

[insert name]

SCHEDULE A

Basic Public Telephone Access Services: Availability and Quality Specifications

1. Telephony Services

- (a) The USF Service Provider shall provide Basic Public Telephone Access Service in all of the cities, towns, villages or Muzas identified in Schedule C as being mandatory for USF Network and USF Service coverage. For the purposes of this Schedule A, Basic Public Telephone Access Service means the provision of:
- (i) two-way live voice telephone service; and
 - (ii) international telephony service.
- (b) For the purposes of this Schedule A, the PSTN includes the networks of PTCL, all licensed providers of Local Loop (“LL”) and Wireless Local Loop (“WLL”) services, all licensed providers of Long Distance International (“LDI”) services, and all licensed providers of Mobile Cellular services.
- (c) The Telephony Services are further defined as follows:
- (i) **Public Voice Telephony** – Each city, town, village and Muza with a population greater than 2,000 people or as identified in Schedule C shall be provided with at least one Public Call Office compliant with relevant ITU voice quality recommendations and standards and also in accordance with the following:
 - a) Each Public Call Office shall be equipped with at least one (1) Public Telephones. “Public Telephones” include payphones, phone kiosks or any other provisioning of telephones for public use in accordance with Section 3 of this Schedule A.
 - b) The Public Voice Telephony service must interconnect, either directly or via the network of another operator, with the PSTN, and provide incoming and outgoing local direct dial calling and national direct dial long distance calling, including access to 0800 services.
 - c) The Public Voice Telephony service must also provide international direct dial long distance calling. Unless the USF Service Provider is authorized by PTA to provide Long Distance International (LDI) services, the USF Network must interconnect with the network of an authorized provider of such services to provide international direct dial long distance calling.

- (ii) **Private Voice Telephony** – Private voice telephony service, including incoming and outgoing local direct dial calling and national and international direct dial long distance calling shall be provided throughout the USF Areas described in Schedule C as being mandatory for USF Network and USF Service coverage, in accordance with the Project Implementation Milestones and the following:
- a) The availability of the Private Voice Telephony service shall be effectively advertised to the public in the USF Areas, and the USF Service Provider must invite requests for service and publish its service plan and tariffs.
 - b) Subscriber contracts for the Private Voice Telephony service shall be of a standard form approved in advance by the PTA.
 - c) Once the USF Services are available in a coverage area, the USF Service Provider shall fulfill requests for the Private Voice Telephony service within a period of ten (10) Business Days from receipt of the request.
 - d) Subscriber terminal or customer premises equipment required to make use of the voice telephony service shall be as affordable (including installation or service charges if any) to the public as that of common subscriber terminals for voice telephony available in urban areas of the country.
- (iii) **Operator and National Emergency Services** – The Telephony Services provided by the USF Service Provider in the USF Areas shall provide access to an operator service and an emergency response service, which are either compatible with or connected to the operator and emergency response services provided by other licensed service providers, and which meet any other requirements for such services identified by the PTA.

2. Service Availability

- (a) The Telephony Services shall become available in in all of the cities, towns, villages and Muzas identified in Schedule C as being mandatory for USF Network and USF Service coverage in accordance with the USF Project Implementation Milestones identified in Schedule D.
- (b) The USF Service Provider shall ensure that the Telephony Services are maintained and continued, and meet applicable service requirements and quality of service standards, throughout the Term of the Agreement.

3. **Public Telephone Availability**

- (a) The USF Service Provider shall ensure that each Public Telephone is available to any member of the public to make calls for a minimum of 12 hours during reasonable daytime, afternoon and early evening hours (for example, 08:00 to 20:00 hours), seven days per week, and that these hours of operation are sufficiently communicated to the public.
- (b) Where a Public Telephone does not have access to the electrical power grid, the USF Service Provider must provide an alternate source of power for the Public Telephone. The alternate source of power must be sufficient to meet the actual demand for local, national long distance and international long distance calling services during the required hours of operation specified in Section 3(a) of this Schedule A.

4. **Quality of Service**

- (a) **Quality Criteria for Telephony Services** – The USF Service Provider shall meet all quality of service requirements for the Telephony Services identified in the USF Service Provider’s Licence(s), or otherwise established by the PTA.
- (b) **Quality of Service Reporting for Telephony Services** – Quality of service reports for the Telephony Services shall be provided in accordance with Section 9.01 of the Agreement and any requirements for quality of service reporting established by the PTA.

SCHEDULE B

Internet Access and Data Services, Availability and Quality Specifications

1. Internet Access Services

- (a) The USF Service Provider shall provide the Internet Access Services, in USF areas mentioned in schedule C.
- (b) The Internet Access Services are defined as follows:
 - (i) **Public Internet Access and Fax Service** – Each such city, town, village or Muza with a population greater than 10,000 people identified in Schedule C shall be provided with Internet and fax service at a minimum of one Telecenter, in accordance with the following:
 - a) The Telecenter must be:
 - i) available to the public;
 - ii) staffed and open to the public for a minimum of twelve hours per day and seven days per week;
 - iii) equipped with at least one computer (equipped with printer, and adequate supply of paper and necessary backup power arrangement) available for public access to the Internet services illustrated in Section 1 (b) (iii); and
 - iv) equipped with Public Telephones providing access to Public Voice Telephony service in accordance with Schedule A
 - b) Public Internet Access shall be:
 - i) provided for both incoming and outgoing Internet traffic;
 - ii) available from each computer at the Telecenter; and
 - iii) at the data rates specified in Section 2 (i) of this Schedule B.
 - c) Each Telecenter shall also provide fax transmission and reception services. Such services, known as Public Fax Service, shall include:

- i) the ability to transmit an image of written or graphic printed material to any destination PSTN telephone number that is able to receive such an image in a manner compliant with appropriate ITU standards; and
 - ii) the ability to receive fax transmissions in a manner compliant with appropriate ITU standards.
- (ii) **Private Internet Access Service** –The USF Service Provider must offer Private Internet Access Service. Each subscriber of this service shall be provided with access to the Internet:
 - a) for both incoming and outgoing Internet traffic;
 - b) available from one or more computers at the subscriber’s premises;
 - c) at the data rates specified in Section 2(i) of this Schedule B;
 - d) based on appropriate ITU standards; and
 - e) available to all Persons requesting Private Internet Access Service, provided such Persons are located within five (5) kilometres of any Telecenter established pursuant to Schedules A or B.
- (iii) **Internet Applications Service** – Each subscriber of Internet Access Service, which includes Public Internet Access Service and Private Internet Access Service, shall be provided with access to common Internet applications, including:
 - a) “email service”, meaning a service that provides subscribers with an e-mail address from which they can receive and transmit e-mail to e-mail servers throughout the public global Internet.
 - b) “web browsing service”, meaning a service that allows subscribers to access information on the World Wide Web.
 - c) “file transfer service”, meaning a service that provides subscribers with the ability to download files from Internet sites that comply with DNS addressing standards.
 - d) “Domain Name System (DNS) service”, meaning a service that allows subscribers to access Internet sites.

- (iv) **Subscriber Technical Support** – Each subscriber to Private Internet Access Service, and each user of Public Internet Access Service, shall be provided with technical support in accordance with the following:
 - a) initial and ongoing technical support, which will assist users:
 - i) in configuring computer hardware and software settings as necessary in order to use the Internet Access Services; and
 - ii) in resolving technical problems that they experience when using the Internet Access Services.
 - b) Subscribers to Private Internet Access Service shall also be provided with a Helpline number (the “Subscriber Technical Support Hotline”) that subscribers can call to report any trouble they are experiencing with the service and obtain real-time technical assistance to resolve the trouble they are experiencing.

2. **Minimum Service Requirements**

- (a) The Public Internet Access and the Private Internet Access Services may be provided by any network technology which can provide a minimum data transfer rate of 50kbps (upstream and downstream).

3. **Service Provision**

- (a) Subject to the other provisions of this Schedule B, the USF Service Provider shall fulfill all requests for Private Internet Access Service:
 - (i) within one month from receipt of the request; or
 - (ii) where significant upgrades to the infrastructure of the USF Network are required to fulfill the request, such as the installation of additional wireless equipment or the laying of transmission lines to the subscriber’s premises, no later than three months from receipt of the request.

4. **Telecenter Availability**

- (a) The USF Service Provider shall ensure that each Telecenter is available to any member of the public to utilize Telecenter Services for a minimum of 12 hours during reasonable daytime, afternoon and early evening hours

(for example, 08:00 to 20:00 hours), seven days per week, and that these hours of operation are sufficiently communicated to the public.

5. Service Availability

- (a) The Internet Access Services shall become available in the USF Areas in accordance with the USF Project Implementation Milestones identified in Schedule D and the requirements of this Schedule B.
- (b) The Service Provider shall ensure that the Internet Access Services are maintained and continued, and meet applicable service standards and quality of service requirements, throughout the term of the Agreement.
- (c) The availability of the Internet Access Services shall be effectively advertised to the public in the USF Areas, and the USF Service Provider shall publish its service plans and tariffs.
- (d) Subscriber contracts for the Internet Access Services shall be of a standard form approved in advance by the PTA.

6. Quality of Service

Quality Criteria for Services – In addition to the service requirements identified in this Schedule B, the Internet Access Services shall be provided in accordance with all quality of service requirements specified in the USF Service Provider’s Licences, and any other quality of service requirements established by the PTA.

To be provided to Registered Bidders Only.

SCHEDULE D

USF Project Implementation and Subsidy Payment Schedule

1. The USF Subsidy shall consist of a total subsidy payment of Pakistan rupees [*insert total amount of USF Subsidy*], payable by USFCo to the USF Service Provider in specific instalments in accordance with this Schedule D. All USF Subsidy instalment payments shall be payable in PKR.
2. The USF Subsidy instalments shall be paid by a form of bank instrument selected by USFCo in its sole discretion, but all payments by USFCo to the USF Service Provider shall comply with all applicable laws, rules and regulations.
3. The USF Service Provider shall send USFCo a written confirmation of receipt of all USF Subsidy instalments.

USF CAPEX Subsidy Payment Schedule

4. Subject to the provisions of Article Thirteen of the Agreement and this Schedule D, the USF Subsidy, excluding portion of USF Subsidy for Backhauling, shall be payable in accordance with following schedule of payments. The payments shall include an initial mobilization payment and the Project Implementation Milestones and amounts identified in the following tables:

Project Mobilization Payment		Instalment Payable	Total Amount to be Paid
		(percentage of USF Subsidy)	
1.	Payable within fifteen (15) Business Days of Effective Date.	20%	PKR [xxx]

Milestone Number	Project Implementation Milestone	Instalment Payable	Total Amount to be Paid
		(percentage of USF Subsidy)	
1.	Demonstration that the USF Network provides coverage of, and that the USF Services are available to, at least 25% of the total unserved villages identified in Schedule C.	20 %	PKR [xxx]

2.	Demonstration that the USF Network provides coverage of, and that the USF Services are available to, at least 50% of the total unserved villages identified in Schedule C.	20 %	PKR [xxx]
3.	Demonstration that the USF Network provides coverage of, and that the USF Services are available to, at least 75% of the total unserved villages identified in Schedule C.	20 %	PKR [xxx]
4.	Demonstration that the USF Network provides coverage of, and that the USF Services are available to, 100% of the total unserved villages identified in Schedule C.	20 %	PKR [xxx]

5. Timing of completion of each of the Project Implementation Milestones set out in the table above shall be at the discretion of the USF Service Provider. However, the USF Service Provider must achieve all four (04) Project Implementation Milestones as per following:
 - a. First Milestone must be achieved within six (6) months of the Effective Date.
 - b. Rest three Milestones must be achieved within twelve (12) months of the Effective Date (the “Final Implementation Date”).
6. For the purposes of the Project Implementation Milestones set out in the table above, “available” means that the services are fully operational and are accessible by at least sixty per cent (60%) of the total population in each of the identified villages in accordance with the Agreement, including, but not limited to, the service requirements and quality of service standards identified in Schedules A and B. For individuals to be included in the 60% calculation, the Public Call Offices established pursuant to Schedules A and B must be no further than five (5) kilometres from those individuals.
7. The USF Service Provider shall provide each of USFCo and the Technical Auditor with a notice in writing (a “Project Implementation Milestone Notice”) upon completion of each Project Implementation Milestone.
8. Within 15 Business Days of receipt of a Project Implementation Milestone Notice, the Technical Auditor shall either:
 - (a) certify in writing (a “Project Implementation Milestone Certification”) to the Parties that the Project Implementation Milestone has been completed; or

- (b) indicate in writing to the Parties that the Project Implementation Milestone has not been completed, providing reasons for this conclusion.
9. Where the USF Service Provider disputes any notice from the Technical Auditor that a Project Implementation Milestone has not been completed, the dispute will be resolved in accordance with Article 10 of the Agreement.
10. Each instalment of the USF Subsidy will be paid to the USF Service Provider within 45 Business Days of USFCo receiving a written Project Implementation Milestone Certification from the Technical Auditor certifying that the USF Service Provider has completed the relevant Project Implementation Milestone.

USF OPEX Subsidy payment Schedule

11. Subject to the provisions of Article Thirteen of the Agreement and this Schedule D, the USF OPEX Subsidy against backhaul services shall be payable as follows:

Serial Number	Due date	Payable Amount	Maximum Amount to be Paid
Year 1	After completion of six months from the date of Final Implementation Date	50% amount of USF Subsidy proposed for backhauling for first year in "Annex 1: USF Subsidy Proposal Form" to RFA	PKR [xxx]
	After completion of 12 months from the date of Final Implementation Date	50% amount of USF Subsidy proposed for backhauling for first year in "Annex 1: USF Subsidy Proposal Form" to RFA	PKR [xxx]
Year 2	After completion of 18 months from the date of Final Implementation Date	50% amount of USF Subsidy proposed for backhauling for second year in "Annex 1: USF Subsidy Proposal Form" to RFA	PKR [xxx]
	After completion of 24 months from the date of Final Implementation Date	50% amount of USF Subsidy proposed for backhauling for second year in "Annex 1: USF Subsidy Proposal Form" to RFA	PKR [xxx]
Year 3	After completion of 30 months from the date of Final Implementation Date	50% amount of USF Subsidy proposed for backhauling for third	PKR [xxx]

		year in “Annex 1: USF Subsidy Proposal Form” to RFA	
	After completion of 36 months from the date of Final Implementation Date	50% amount of USF Subsidy proposed for backhauling for third year in “Annex 1: USF Subsidy Proposal Form” to RFA	PKR [xxx]
	Total		PKR [xxx]

12. The Opex subsidy quoted at the time of bidding shall not be the final Opex Subsidy price. The quoted Opex Subsidy will be used only for evaluation of the lowest bid and shall be the maximum subsidy allowed on account of back hauling costs. Opex Subsidy will however be paid as per actual, subject to the maximum capping as explained above.
13. Payment of the Opex subsidy shall be based on actual backhaul expenses, verified by the USF SP’s invoice and counter verified by the USF SP’s vendor’s invoice. Such documents will be presented by the USF SP for claiming the Opex Subsidy.
14. In case of force majeure, same payment schedule shall be followed, however, the final implementation date (for the amount of work under force majeure) shall be the revised final implementation date (Original Final Implementation Date + extension due to Force Majeure) verified by the Technical Auditor.

SCHEDULE E

Material Events of Default

1. Breach by USF Service Provider

- (a) Each of the following shall be deemed to be a material breach by the USF Service Provider for which USFCo will be entitled to terminate this Agreement in accordance with Article Fifteen:
- (i) Failure by USF Service Provider to meet the Final Implementation Date identified in paragraph 3 of Schedule D.
 - (ii) The accumulation of liquidated damages under clause 4.01 (a) (iii) equal to ten percent (10%) of the USF Subsidy amount payable for the affected Project Implementation Milestone(s);
 - (iii) Repeated failure to meet the USF Service Availability and Quality Specifications set out in Schedules A and B, the cumulative effect of which significantly affects public use or enjoyment of the USF Services in the USF Areas.
 - (iv) The occurrence of a change in ownership or Control of the USF Network that is contrary to Article Three.
 - (v) Failure by the USF Service Provider to maintain its incorporation in and under the Companies Ordinance or to comply with eligibility requirements for Pakistani companies that are established under applicable Pakistani laws.
 - (vi) Any misconduct of the USF Service Provider, or any other Person on the USF Service Provider's behalf, described in section 52 of the RFA.
 - (vii) Failure of the USF Service Provider to adequately address any matters identified by an applicable regulatory authority falling within the scope of the USF Services, to such regulatory authority's reasonable satisfaction.
 - (viii) The USF Service Provider commits any other material breach of this Agreement which breach is not capable of being cured.

2. Breach by USFCo

- (a) It shall be deemed to be a material breach by USFCo for which the USF Service Provider will be entitled to terminate this Agreement in accordance with Article Fifteen, where:

- (i) The Technical Auditor fails to take any action in response to a Project Implementation Milestone Notice (reference: paragraphs 5 and 6 of Schedule D); or
- (ii) USFCo fails to pay undisputed payments of the USF Subsidy due to the USF Service Provider exceeding PKR 1,000,000.

SCHEDULE F**Irrevocable Bank Guarantee**

Issuing Bank: _____
(insert name and address of issuing bank)

Date of Issue: _____

Bank Guarantee No: _____

Maximum Amount of Bank Guarantee _____ (40% of subsidy amount)
(insert amount, in PKR, in numbers and words)

Applicant: _____
(insert full legal name and address of the USF Service Provider)

Beneficiary:
Universal Service Fund
5th Floor, Habib Bank Tower
Jinnah Avenue
Islamabad

On behalf of our client (the “Applicant”) we hereby issue in your favour this Irrevocable Bank Guarantee (the “IBG”) for the maximum amount identified above.

The IBG is available with the Bank, and will be paid, against presentation of the following documents:

- 1) The Beneficiary’s demand on the Bank in the form attached hereto as Appendix “A”, signed by the CEO of the Beneficiary, indicating the amount to be drawn under this IBG, the number of this IBG, the date of issue of this IBG, and the name of our Bank.
- 2) This IBG for endorsement by us of the amount drawn and, on final drawing, for cancellation.

This IBG is irrevocable and shall remain valid for 5 years up to and including the [*date*] day of [*month*], [*year*]

Partial drawings are permitted.

We will honour each drawing made in conformity with the terms of this IBG without enquiring whether you have, as between you and the Applicant, the right to make such drawing and without recognizing any claim of the Applicant.

This IBG shall be governed by and construed in accordance with the laws of Pakistan. We hereby irrevocably and unconditionally accept exclusive jurisdiction of the Courts at Islamabad.

Issuing Bank

Authorized Signing Officer

SCHEDULE F(1)

Irrevocable Bank Guarantee

Issuing Bank: _____
(insert name and address of issuing bank)

Date of Issue: _____

Bank Guarantee No: _____

Maximum Amount of Bank Guarantee _____ (40% of subsidy amount)
(insert amount, in PKR, in numbers and words)

Applicant: _____
(insert full legal name and address of the USF Service Provider)

Beneficiary:
Universal Service Fund
5th Floor, Habib Bank Tower
Jinnah Avenue
Islamabad

On behalf of our client (the “Applicant”) we hereby issue in your favour this Irrevocable Bank Guarantee (the “IBG”) for the maximum amount identified above.

The IBG is available with the Bank, and will be paid, against presentation of the following documents:

- 3) The Beneficiary’s demand on the Bank in the form attached hereto as Appendix “A”, signed by the CEO of the Beneficiary, indicating the amount to be drawn under this IBG, the number of this IBG, the date of issue of this IBG, and the name of our Bank.
- 4) This IBG for endorsement by us of the amount drawn and, on final drawing, for cancellation.

1. This IBG is irrevocable and shall remain valid for 1 year up to and including the [date] day of [month], [year]

Partial drawings are permitted.

We will honour each drawing made in conformity with the terms of this IBG without enquiring whether you have, as between you and the Applicant, the right to make such drawing and without recognizing any claim of the Applicant.

This IBG shall be governed by and construed in accordance with the laws of Pakistan. We hereby irrevocably and unconditionally accept exclusive jurisdiction of the Courts at Islamabad.

Issuing Bank

Authorized Signing Officer

Appendix “A”

To Irrevocable Bank Guarantee No. _____

Issued by _____ Bank

Drawn Under IBG No.: (*insert IBG number and date*)

To: (*insert name and address of Issuing Bank*)

The undersigned hereby demands that (Name of Issuing Bank) pay to the order of the undersigned the sum of Pakistan rupees _____ under the IBG described above.

Dated: (*insert date*)

Universal Service Fund

CEO

SCHEDULE G

Rural Telecommunications and e-Services Project

Environmental Assessment

**Ministry of Information Technology
Government of Pakistan
Islamabad**

March 2007

Executive Summary

The World Bank (WB) is planning to fund the Rural Telecommunications and e-Services Project in various parts of Pakistan. In line with the WB safeguard policies and national regulations, an environmental assessment has been carried out for the proposed project. This document presents the process and outcome of this assessment.

The project's long-term development objectives are to foster private sector led growth within a competitive market environment, and promoting and accelerating widespread access to information and communication technology (ICT) services, particularly in rural areas. The project will focus primarily on accelerating access by using targeted subsidies for rural expansion, strengthening the legal, policy, regulatory and spectrum management and monitoring functions, and expansion of e-services.

The proposed project consists of three main components. The first component aims to increase access in rural areas, by expanding rural communications through assistance in setting up the Universal Service Fund Company (USFC), making the USFC operational, and delivery of targeted subsidies to private operators on a competitive basis. The second component will strengthen Ministry of Information Technology (MoIT) in policy making, legal issues, and capacity building of Pakistan Telecommunication Authority (PTA) and Frequency Allocation Board (FAB), including enhancement of radio frequency monitoring and management, which will result in further sector improvements. The third component will accelerate e-services development, including support for expanding and deployment of e-services under the USF Policy.

The Pakistan Environmental Protection Act of 1997 is the apex environmental legislation in the country, whereas the Operational Policy (OP) 4.01 provides the WB's safeguard framework relevant to the proposed project.

The environmental assessment of the proposed project was carried out using a screening matrix, which was tailor-made addressing the particular nature of the activities. The key adverse environmental impacts of the project thus identified included, water contamination, loss of agriculture, land acquisition issues, gender issues and health concerns during the project's construction and operation stages.

Though the significance of all of the potential impacts is expected to be low, an environmental management framework (EMF) has been developed to mitigate the adverse environmental impacts described above and to further improve the environmental performance of the project. The EMF proposes a two-tier organizational structure with the overall environmental management responsibility assigned to USFC, and the on-site implementation role given to the contractors/operators. EMF includes environmental guidelines which will need to be followed during different project phases. In addition, a Resettlement Policy Framework (RPF) has also been developed in accordance with OP 4.12, in order to address the involuntary resettlement issues that may arise during the project.

The present environmental assessment confirmed that the project would not result in any significant and/or lasting environmental impacts, provided that the guidelines given in this document are followed. It was also concluded that the present assessment was sufficient, and no further EA action would be needed, in accordance with the national regulatory requirements as well as WB OP 4.01.

Acronyms

AJK	Azad Jammu and Kashmir
EA	Environmental Assessment
EC	Environmental Coordinator
EM	Environmental Monitor
EIA	Environmental Impact Assessment
EMF	Environmental Management Framework
EPA	Environmental Protection Agency
FAB	Frequency Allocation Board
GoP	Government of Pakistan
ICT	Information and Communication Technology
IEE	Initial Environmental Examination
LAA	Land Acquisition Act
LDI	Long distance and international
MOIT	Ministry of Information Technology
NGO	Non Governmental Organization
NWFP	North Western Frontier Province
OP	Operational Policy
PAPs	Project affected people
PTA	Pakistan Telecommunication Authority
RPF	Resettlement Policy Framework
ToR	Terms of Reference
USF	Universal Service Fund
USFC	Universal Service Fund Company
VSAT	Very small aperture terminals
WB	World Bank
WLL	Wireless local loop

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1. Introduction

The World Bank (WB) is planning to fund the Rural Telecommunications and e-Services Project in various parts of Pakistan. In line with the WB safeguard policies and national regulations, an environmental assessment has been carried out for the proposed project. This document presents the process and outcome of this assessment.

1.1 Background

Pakistan, like many other countries, recognizes the potential of information and communications technology (ICT) infrastructure, applications and services to enhance competitiveness, productivity, and improve the efficiency and capability of institutions.

Since 2003, the Government of Pakistan (GOP) has implemented significant telecommunications reforms which have led to effective liberalization of all market segments and privatization of the fixed line incumbent. The market structure has evolved into a multi-operator environment, with eight major operators, some twenty Wireless Local Loop (WLL) operators (4 of which have commenced operations), multiple very small aperture terminals (VSAT), Internet and other value-added-service providers. Sixteen long-distance and international (LDI) licenses have been issued of which all except two are operational. The regulatory environment has also evolved with the 1996 Telecommunication Reorganization Act and the establishment of an independent regulator in 1997, the Pakistan Telecommunication Authority (PTA), and subsequent amendment in 2005, the interconnection, tariff and licensing regimes are now conducive to competition. In addition, there are 4 major policies that have been introduced in the sector, i.e. deregulation, mobile, broadband and the universal service fund (USF) policy.

Despite some positive developments, operators are finding that there is still limited business profitability when it comes to providing services in rural areas, compared with the attractiveness of adding new subscribers in urban areas. The aggregate teledensity of fixed and mobile in rural areas is only about 1.4 percent compared with a national average teledensity of about 28 percent in 2006. Almost 30 percent of the rural population is still not covered and there is a significant unmet demand with about 33 million un-served people.

GOP intends to work as a catalyst to motivate and incentivize licensed operators to penetrate into rural areas which are currently perceived to be unprofitable. The effective utilization of the Universal Service Fund (USF) will aim to go beyond the provision of voice communications to include broadband and Internet access, as well as the provision of e-services to citizens through ICT access points such as telecenters. Improved rural access to ICTs would facilitate integration of rural areas into the formal economy by providing citizens and entrepreneurs with better tools for communication, obtaining information, and facilitating commerce.

The USF Policy, prepared by the Ministry of Information Technology and Telecommunications (MOIT), was finalized and approved in October 2006. In this document, the GOP has set an ambitious target to achieve 5 percent teledensity in rural areas by 2010 together with other targets, such as, 1.6 million broadband subscribers. Under the USF policy framework, it is planned that USF funded service providers will aim to achieve 5 percent teledensity in their coverage areas within three years. An autonomous company, the USF Company (USFC), has been established to manage the utilization of the USF.

The proposed project seeks to operationalize the USFC, in order to achieve the targets set by the USF Policy mentioned above.

1.2 Project Description

Project Objectives

The project's long-term development objective is to promote and accelerate widespread access to information and communication technology (ICT) services among the rural population through an incentive program designed to encourage participation of private operators in the rural market segment. The project will focus primarily on accelerating access by using targeted subsidies for rural expansion, and capacity-building in policy, regulatory and spectrum management and monitoring functions.

The expected benefits of the project include:

- ▶ Wider availability of and access to telephony and broadband services in rural and unserved areas. This will facilitate better communications, increase access to information for rural populations and extend opportunities to share in economic growth.
- ▶ Increased Internet access points, through the participation of private companies, for citizens in rural and unserved areas to access e-services.
- ▶ As a result of improved policies and regulatory framework, increased competition is expected which will result in the availability of high quality telecommunications infrastructure and services.
- ▶ Improvements in the management and monitoring of the radio spectrum, a valuable national resource, leading to increased and efficient use of new wireless technologies for communications.

Project Components

The proposed project would have three main interrelated components aimed at achieving the above project development objectives. The first component will increase access in rural areas, by expanding rural communications through assistance in setting up the Universal Service Fund (USF) as a Company, making the USF operational, and delivery of targeted subsidies to private operators on a competitive basis. The second component will strengthen MoIT in policy making, legal issues, and capacity building of PTA and Frequency Allocation Board (FAB), including enhancement of radio frequency monitoring and management, which will result in further sector improvements. The third component will accelerate e-services

development, including support for expanding and deployment of e-services under the USF Policy.

Physical Interventions

The following project activities are likely to involve physical interventions:

- ▶ Construction of buildings for the proposed facilities, such as telecentres, exchanges and monitoring stations
- ▶ Laying of underground cables
- ▶ Erection of pylons and towers
- ▶ Operation of the facilities.

These interventions may interact with various aspects of the environment. The present study attempts to assess these interactions.

1.3 Project Location

The project will be located in the rural areas throughout Pakistan.

1.4 Document Structure

Section 2 (*Regulatory Framework for Environmental Assessment*) introduces the national regulatory requirements with respect to the environmental aspects associated with the proposed project, as well as the WB safeguard policies which may be triggered by the proposed activities.

Section 3 (*Environmental Assessment*) describes the environmental assessment methodology which was employed while conducting the present assignment. Also given in the section are the results of the assessment.

Section 4 (*Environmental Management Framework*) provides the mechanism to manage the environmental issues that may arise during the proposed activities.

Finally, **Section 5** (*Conclusions*) summarizes the findings of the present assignment.

2. Regulatory Framework for Environmental Assessment

This Section briefly describes the regulatory and policy framework relevant to the proposed project.

2.1 National Legislation, Regulations and Policies

There are several laws in Pakistan addressing the environmental aspects directly or indirectly. The laws which are most relevant to the proposed project are briefly described below.

2.1.1 Pakistan Environmental Protection Act, 1997

Under the Pakistan Environmental Protection Act, 1997, no development project can be undertaken unless an initial environmental examination (IEE) or an environmental impact assessment (EIA) is conducted, and approval is received from the federal or relevant provincial EPA.

The present environmental assessment is being carried out in response to this Act.

2.1.2 Pakistan Environmental Protection Agency Review of IEE and EIA Regulations, 2000

The Regulations primarily categorize the projects in two groups. Project types listed in Schedule I are designated as potentially less damaging to the environment, and those listed in Schedule II as having potentially serious adverse effects. Schedule I projects require an IEE to be conducted, provided they are not located in environmentally sensitive areas. For the Schedule II projects, conducting an EIA is necessary.

2.1.3 Land Acquisition Act, 1894

The Land Acquisition Act (LAA) of 1894 amended from time to time has been the de-facto policy governing land acquisition and compensation in the country. The LAA is the most commonly used law for acquisition of land and other properties for development projects. It comprises of 55 sections pertaining to area notifications and surveys, acquisition, compensation and apportionment awards and disputes resolution, penalties and exemptions.

Land for the facilities under the proposed project may be acquired using this Act (alternatively, the land may be directly purchased or obtained on lease/rental basis).

2.1.4 Pakistan Telegraph Act, 1885

This law was enacted to define the authority and responsibility of the telegraph authority. The law covers among other activities installation and maintenance of telegraph lines and poles. The Act determines the mechanism to determine and

make payment of the compensation associated with the installation of telegraph lines and poles. Under this Act, the land under the pole is not acquired (or purchased) from the owner. The compensation is paid to the owner for any damage to structure, crop or tree that may exist at the location where pole is to be erected.

The proposed pylons can be erected in accordance with this Act. However, the land under the pylons will be acquired (in accordance with the LAA, directly purchased or leased) if there is loss of access, and productive use of the land by the landowners/affectees is impacted.

2.1.5 Provincial Wildlife Protection Acts/Ordinances

These provincial laws (for the four provinces of Pakistan) have been enacted to protect the wildlife resources directly and other natural resources indirectly. These classify wildlife by degree of protection, ie, animals that may be hunted on a permit or special license, and species that are protected and cannot be hunted under any circumstances. The Acts/Ordinances specify restrictions on hunting and trade in animals, trophies, or meat. The Acts/Ordinances also define various categories of wildlife protected areas, ie, National Parks, Wildlife Sanctuaries and Game Reserve.

The provisions of the Acts/Ordinances will be applicable to the proposed project.

2.1.6 Antiquity Act, 1975

The Antiquities Act of 1975 ensures the protection of cultural resources in Pakistan. The Act is designed to protect 'antiquities' from destruction, theft, negligence, unlawful excavation, trade and export. Antiquities have been defined in the Act as ancient products of human activity, historical sites, or sites of anthropological or cultural interest, national monuments, etc. The law prohibits new construction in the proximity of a protected antiquity and empowers the Government of Pakistan to prohibit excavation in any area that may contain articles of archeological significance.

The provisions of the Act will be applicable to the proposed project.

2.2 WB Safeguard Policies

The project has also been analyzed against the WB safeguard policies: OP 4.01 (environmental assessment), OP 4.04 (natural habitat), OP 4.36 (forestry), OP 4.09 (pest management), OP 4.11 (cultural property), OP 4.10 (indigenous people), OP 4.12 (involuntary resettlement), OP 4.37 (safety of dams), OP 7.50 (projects in international waters), and OP 7.60 (projects in disputed areas).

These policies are briefly introduced below (the applicability of these policies for the proposed project is discussed in **Section 3** of this document).

2.2.1 Environmental Assessment (OP 4.01)

The World Bank requires environmental assessment (EA) of projects proposed for Bank financing to help ensure that they are environmentally sound and sustainable,

and thus to improve decision making. The OP defines the EA process and various types of the EA instruments.

The Bank classifies the proposed project into one of four categories, depending on the type, location, sensitivity, and scale of the project and the nature and magnitude of its potential environmental impacts.

(a) *Category A*: A proposed project is classified as *Category A* if it is likely to have significant adverse environmental impacts that are sensitive, diverse, or unprecedented. For a *Category A* project, the borrower is responsible for preparing a report, normally an EIA (or a suitably comprehensive regional or sectoral EA).

(b) *Category B*: A proposed project is classified as *Category B* if its potential adverse environmental impacts on human populations or environmentally important areas—including wetlands, forests, grasslands, and other natural habitats—are less adverse than those of *Category A* projects. These impacts are site-specific; few if any of them are irreversible; and in most cases mitigatory measures can be designed more readily than for *Category A* projects. The scope of EA for a *Category B* project may vary from project to project, but it is narrower than that of *Category A* EA.

(c) *Category C*: A proposed project is classified as *Category C* if it is likely to have minimal or no adverse environmental impacts. Beyond screening, no further EA action is required for a *Category C* project.

(d) *Category FI*: A proposed project is classified as *Category FI* if it involves investment of Bank funds through a financial intermediary, in subprojects that may result in adverse environmental impacts.

2.2.2 Involuntary Resettlement (OP 4.12)

Involuntary resettlement under development projects, if unmitigated, often gives rise to severe economic, social, and environmental risks. OP 4.12 provides safeguards to address and mitigate these impoverishment risks.

2.2.3 Natural Habitat (OP 4.04)

The conservation of natural habitats, like other measures that protect and enhance the environment, is essential for long-term sustainable development. Through this OP, the Bank therefore supports the protection, maintenance, and rehabilitation of natural habitats and their functions.

2.2.4 Forestry (OP 4.36)

The objective of this Policy is to assist the WB's borrowers to harness the potential of forests to reduce poverty in a sustainable manner, integrate forests effectively into sustainable economic development, and protect the vital local and global environmental services and values of forests.

2.2.5 Pest Management (4.09)

Through this OP, the WB supports a strategy that promotes the use of biological or environmental control methods and reduces reliance on synthetic chemical pesticides.

2.2.6 Safety of Dams (OP 4.37)

The Policy seeks to ensure that appropriate measures are taken and sufficient resources provided for the safety of dams the WB finances.

2.2.7 Projects on International Waterways (OP 7.50)

This OP defines the procedure to be followed for projects the WB finances that are located on any water body that forms a boundary between, or flows through two or more states.

2.2.8 Indigenous People (OP 4.10)

This OP defines the process to be followed if the project affects the indigenous people. The policy requires that the proponents will develop an Indigenous People Development Plan and get it approved by the Bank, if such groups are identified during the project implementation.

2.2.9 Cultural Property (OP 4.11)

The World Bank's general policy regarding cultural properties is to assist in their preservation, and to seek to avoid their elimination. Under this OP, the Bank normally declines to finance projects that will significantly damage non-replicable cultural property, and will assist only those projects that are sited or designed so as to prevent such damage.

2.2.10 Projects in Disputed Areas (OP 7.60)

in accordance with this safeguard policy, the Bank may proceed with a project in a disputed area if the governments concerned agree that, pending the settlement of the dispute, the project proposed for country A should go forward without prejudice to the claims of country B.

3. Environmental Assessment

This Section provides the process as well as outcome of the environmental assessment carried out for the proposed project.

3.1 Environmental Assessment Methodology

The present environmental assessment was carried out using a standard methodology, in line with the national regulations and WB safeguards described above. The assessment was initiated with review of the project information. Subsequently, meetings were held with some key stakeholders, including the officials from MOIT, WB's consultant for the proposed project, a civil society organization and the Pakistan Environmental Protection Agency (Pak-EPA).

Subsequent to the above, environmental assessment of the proposed project was carried out employing a screening matrix, which was tailor-made according to the specific needs of the project.

The screening matrix examined the interaction of project activities with various components of the environment. The project activities requiring physical intervention would include construction of buildings, laying of underground cables and erection of pylons; whereas the environmental parameters were broadly classified as physical, biological and social, and then each of these broad categories further divided into different aspects. The potential impacts thus predicted were characterized as follows:

- ▶ High negative (adverse) impact,
- ▶ Low negative impact,
- ▶ Insignificant impact,
- ▶ High positive (beneficial) impact,
- ▶ Low positive impact, and
- ▶ No impact.

The screening matrix for the proposed project is provided in **Exhibit 2.1**.

3.2 Findings of Environmental Assessment

Most of the proposed project activities do not involve physical interventions, which can potentially cause environmental degradation. The activities which are likely to interact with the environment include construction of buildings for telecenters, exchanges and monitoring stations, laying of cables, and erection of pylons. Operation of these facilities can also cause some environmental degradation.

The adverse impacts of the project activities are discussed below.

3.2.1 Concerns Associated with Siting of Telecentres/Exchanges and Pylons

The siting of the proposed facilities such as telecentres, exchanges and pylons may cause the following adverse impacts:

1. Loss of assets due to land take for the facility
2. Loss of natural vegetation and habitat
3. Damage or threat to any site of archeological, historical, cultural or religious significance
4. Health hazard associated with the electromagnetic radiation.

These concerns and their mitigation measures/strategies are discussed below.

Loss of Assets

These concerns can be adequately addressed by carefully selecting each site in consultation with the community, and following the procedure given below.

In case of direct purchase of the land for telecenters or any other facility, the transaction will be made on the basis of 'willing buyer – willing seller', on mutually agreed market-based price. The title of the land will be transferred in accordance with the relevant rules and regulations. The entire agreement will be documented and signed by all parties concerned.

In case the land for the proposed facilities is acquired under the Land Acquisition Act (**Section 2.1.3**), the emergency clause will not be used. The entire process will be documented and the title of the land will be duly transferred to the buyer.

The land or premises for the proposed facility may also be acquired on lease or rental basis. In such cases as well, the entire agreement will be documented.

The land under the towers/pylons can also be acquired according to the procedures described above. In case the land under the pylon or tower is acquired on lease/rental basis, the lease/rental amount will reflect the loss of income generating opportunities (whether one-time or permanent) associated with the affected land. For example, if crops will be damaged under the tower/pylon only during the construction phase, a one-time crop compensation will be paid to the owner/grower. However, In case the owner/cultivator cannot use that piece of land even after the construction phase, the lease/rental amount will reflect crop compensation for the entire lease/rental period. The compensation amount will correspond to the entire area affected, including any periphery fencing, if any.

An RPF has been developed for the proposed project and provided in **Appendix A**. RPF, developed in accordance with OP 4.12, provides resettlement principles and entitlement framework, in order to mitigate the potential impacts associated with land acquisition for the proposed activities.

Loss of Natural Vegetation/Habitat

This concern can be addressed by avoiding sites having significant natural vegetation, and planting trees around the proposed facilities in case any tree cutting is involved during the construction activities. Similarly areas protected by the wildlife protection acts should be avoided (see **Section 2.1.5**); in case this is not possible, a separate environmental study will be carried out for such facilities. List of such areas in the country is provided in **Exhibit B.1** of **Appendix B**. Furthermore, if the proposed activities are carried out in the vicinity of the protected areas, the works will be carried out in consultation with the relevant Wildlife or Forest department.

The trees that will need to be removed for establishing the proposed facilities will be counted and their type, age, size and approximate salvage price determined and documented. Photographic record will also be maintained. The trees planted at/around the proposed facilities will be at least five times the ones removed.

Damage or Threat to Sites of Archeological, Historical, Cultural or Religious Significance

This concern can also be addressed by avoiding sites of archeological, historical, cultural or religious significance (see **Section 2.1.6**). List of such sites in the country is provided in **Exhibit B.2** of **Appendix B**.

Health Hazards of Radiation

The health hazards associated with the electromagnetic radiation have been extensively studied. The best understood biological effect of electromagnetic fields is to cause dielectric heating. For example, touching an antenna while a transmitter is in operation can cause severe burns. Birds sitting on very high-power antennas when transmission begins can be instantly cooked by the radiation energy.

However, the consensus of the scientific community is that the power from the mobile phone base station antennas is far too low to produce health hazards as long as people are kept away from direct access to the antennas. (See excerpts from detailed 'Questions and Answers' on Electromagnetic Fields and Human Health, in **Appendix C**.) Hence, the potential health impacts of the antennas erected during the proposed project can be avoided by installing the antennas in such a way that people do not have direct access to the antenna.

3.2.2 Environmental Concerns during Construction Activities

Some negative environmental impacts (ie, low negative impacts) are expected to be experienced during the construction of the proposed facilities. These potential impacts may include:

- ▶ Dust and noise pollution caused by the construction activities
- ▶ Soil and water contamination caused by improper waste disposal
- ▶ Water scarcity due to water consumption during construction (in water scarce areas)
- ▶ Damage to agriculture in the adjacent areas.

However all of the above issues are temporary in nature and will disappear as soon as the construction is over. Furthermore, due to the smallness of the individual building¹, the magnitude of these impacts will be small. Hence these impacts have been characterized as 'low negative impacts' in **Exhibit 2.1**.

The probability and consequence severity of these impacts should further be decreased by employing basic house keeping techniques – such as waste collection and appropriate disposal (discussed in **Section 4.4**).

3.2.3 Environmental Concerns during Laying Underground Cable

Some negative environmental impacts (ie, low negative impacts) are expected to be experienced during laying of the underground cables – both for connecting the exchanges and telecentres with the existing telecom network in the country, as well as for providing connections to the residential and commercial users. These potential impacts may include:

- ▶ Dust and noise pollution caused by the excavation and backfilling activities
- ▶ Soil and water contamination caused by improper waste disposal
- ▶ Water scarcity due to water consumption during construction (in water scarce areas)
- ▶ Damage to agriculture during excavation and cable laying
- ▶ Damage to topsoil during excavation
- ▶ Blocked access.

However all of the above issues are temporary in nature and will disappear as soon as the cabling laying is over. Furthermore, due to the smallness of the individual cable laying activity², the magnitude of these impacts will be small. Hence these impacts have been characterized as 'low negative impacts' in **Exhibit 3.1**.

The probability and consequence severity of these impacts should further be decreased by employing basic house keeping techniques – such as waste collection and appropriate disposal, which are discussed in **Section 4.4**.

3.2.4 Concerns during Operation of Proposed Facilities

Following types of environmental and social concerns can potentially arise during operation of the proposed telecenters and exchanges:

- ▶ Health concerns associated with drinking water sanitation facilities
- ▶ Health concerns associated with radiation
- ▶ Gender issues.

¹ The size of an average telecenter will be about 10 m × 10 m; and that of an average exchange will be about 3 m × 12 m.

² Extended lengths of cables are unlikely to be laid during the proposed project, since radio link will be a preferred option for long distances. Similarly, individual distribution networks within the villages (providing connections to individual subscribers) will be small.

These concerns are discussed below.

Health Concerns Associated with Drinking Water and Sanitation

Lack of access to clean drinking water and poor or no sanitation facilities at the telecenters and exchanges can pose a health risk to the employees, users of the facilities and the nearby community. It is therefore recommended that the design of each telecenter and exchange building includes provision of clean drinking water and adequate toileting facilities.

Health Concerns Associated with Radiation

The health concerns associated with the electromagnetic radiation have already been discussed in **Section 3.2.1** above. If the mobile phone/wireless base station antennas are located in accordance with the relevant guidelines³, radiation generated by these antennas will not cause any significant health hazard for the population. (See excerpts from detailed 'Questions and Answers' on Electromagnetic Fields and Human Health, in **Appendix C.**)

Gender Sensitivities

The gender sensitivities should be addressed during various phases of the project, in accordance with the local culture and customs. The project staff should be sensitized on these aspects, and the capacity building program should include gender-related components.

3.3 Review of Safeguard Policies

The following table provides the applicability of the WB safeguard policies discussed in **Section 2.2**.

Operational Policy	Triggered	Notes
Environmental Assessment (OP 4.01)	Yes	The proposed project is classified as Category B project, since the proposed activities are likely to cause some low level adverse impacts as discussed in Section 3.2 .
Involuntary Resettlement (OP 4.12)	Yes	To address the potential impacts associated with the involuntary resettlement during the proposed project, a Resettlement Policy Framework (RPF) has been prepared (see Appendix A).
Forestry (OP 4.36)	No	The proposed project is not likely to affect any forest resources.
Natural Habitat (OP 4.04)	No	The proposed project is not likely to affect any natural habitat. Further, the protected areas (listed in

³ MoIT is in the process of formulating the guidelines addressing the health impacts of electromagnetic radiation.

Operational Policy	Triggered	Notes
		Exhibit B.1 of Appendix B) will be avoided while locating the proposed facilities.
Pest Management (OP 4.09)	No	The proposed activities do not involve use of pesticides.
Safety of Dams (OP 4.37)	No	The proposed activities do not involve construction of dams.
Projects in International Waters (OP 7.50)	No	The proposed activities do not involve any work on or in any water bodies.
Cultural Property (OP 4.11)	No	The proposed activities will not affect cultural sites. The notified sites (listed in Exhibit B.2 of Appendix B) will be avoided while locating the project facilities.
Indigenous People (OP 4.10)	No	The project will avoid areas where the existence of indigenous people is known or expected. However if such groups are identified during the project implementation, the proponents will develop an Indigenous Peoples Plan or an Indigenous Peoples Planning Framework, in compliance with the OP and get it approved by the Bank.
Projects in Disputed Area (OP 7.60)	No	Since the proposed activities are to be carried out in Pakistan only and doesn't include the AJK and Northern Areas.

Exhibit 3.1: Screening Matrix

	<i>Physical</i>					<i>Biological</i>		<i>Social and Socioeconomic</i>											
	<i>Soil Erosion / Contamination</i>	<i>Air Quality</i>	<i>Surface Water Quality</i>	<i>Groundwater Quality</i>	<i>Water Availability and Consumption</i>	<i>Natural Vegetation</i>	<i>Wildlife</i>	<i>Land Acquisition</i>	<i>Agriculture</i>	<i>Blocked Access</i>	<i>Noise and Vibration</i>	<i>Safety Hazard</i>	<i>Employment/Earning Opportunities</i>	<i>Infrastructure</i>	<i>Public Health (clean drinking water and sanitation)</i>	<i>Aesthetic Value</i>	<i>Gender Issues</i>	<i>Sites of Archeological, Historical or Cultural Significance</i>	<i>Impacts on Indigenous People</i>
Siting of Buildings such as Exchanges and Telecentres	N	N	N	N	N	-1	N	-1	-1	0	-1	-1	N	N	N	N	N	-1	N
Siting of Pylons	N	N	N	N	N	-1	N	-1	-1	0	N	-1	N	N	N	N	N	-1	N
Construction of Buildings	-1	-1	-1	-1	-1	0	N	N	-1	0	-1	-1	+1	0	-1	N	-1	N	N
Erection of Pylons	-1	-1	-1	-1	-1	0	N	N	-1	0	-1	-1	+1	0	-1	N	-1	N	N
Laying of Underground Cables	-1	-1	-1	-1	-1	-1	0	N	-1	-1	-1	-1	+1	-1	-1	N	-1	-1	N
Operation of facilities	N	N	-1	-1	-1	N	N	N	N	N	N	-1	+1	N	-1	N	-1	N	N

Key: -2: High negative impact; -1: Low negative impact; 0: insignificant/negligible impact; +1: low positive impact; +2: High positive impact, N: no impact.

4. Environmental Management Framework

In order to address the environmental concerns discussed in **Section 3** above, an environmental management framework has been developed, which will be implemented during various phases of the project. This framework will be made an integral part of the bidding documents, and will be included in the performance criteria of the contractors.

4.1 Objective

The objective of the environmental management framework (EMF) is to provide the mechanism to manage the environmental issues that may arise during the proposed activities. EMF defines the roles and responsibilities of various stakeholders and also provides guidelines to be followed during the project implementation in order to improve the environmental performance of the proposed activities.

4.2 Management Approach

The overall responsibility of EMF implementation and for the environmental performance of the project would rest with USFC. USFC would among its staff nominate an Environmental Coordinator (EC) who would be the focal point for all matters relating to the environmental issues during the project.

All the contractors working for USFC for the construction activities will also be required to nominate environmental monitors (EM) among their site staff. EM will be responsible for the implementation of EMF at the sites.

Compliance to EMF will be made a contractual requirement for all the contractors engaged for the proposed activities. For this purpose, a suitable clause can be added in the bidding document, such as: "Implementation of EMF (including the environmental guidelines provided in **Exhibits 4.2 to 4.5** of EMF, as well as **Appendices A and B** of the Environmental Assessment report), attached as **Annexure XX** of the bidding documents, will be an integral part of the contractor's scope of work, and will be included in the performance criteria of the project".

4.3 Roles and Responsibilities

USFC's Environmental Coordinator: The EC will facilitate compliance to the EMF, the environmental guidelines presented in this EMF, and RPF (provided in **Appendix A**). The EC will coordinate within USFC, with the contractors and the community for the implementation of the EMF. The EC will also coordinate with other stakeholders, such as PTA, EPA or any NGO, as and when required.

It is recommended that the General Manager Projects and Technology, USFC, be nominated as the Environmental Coordinator, who can delegate some of the functions – such as environmental monitoring – to other USFC staff.

Contractor's EM: The EM would be responsible for the on-site implementation of the guidelines and RPF. The EM will coordinate with the EC and the community for the effective implementation of the EMF.

The roles and responsibilities are tabulated in **Exhibit 4.1**.

4.4 Environmental Guidelines

The environmental guidelines are the key component of the EMF. These guidelines list all the potential effects of each activity of the project and their associated mitigation measures. These guidelines should be followed during the design, construction and operation of the proposed facilities. The guidelines are presented in **Exhibits 4.2 to 4.5**.

4.5 Environmental Monitoring

The environmental monitoring will ensure that the guidelines discussed in **Section 4.4** above and RPF are being adequately followed during the project execution. The on-site monitoring will be conducted by the contractors' EM, whereas the periodic monitoring will be carried out by the USFC staff visiting the site to check the technical/contractual aspects.

4.6 Environmental Trainings

Environmental trainings will help enhance awareness level of the USFC staff and contractor staff on all matters relating to the environment. These trainings will ensure that the requirements of the EMF are clearly understood and followed by the USFC and contractors throughout the project period.

The primary responsibility for providing trainings to all project personnel will be that of the USFC. The environmental training program will be finalized during the design stage of the project, and will be implemented before any site works are commenced. The training will be provided to the USFC staff and contractor staff.

The environmental trainings will need to be provided on a regular basis, in order to inculcate environmental awareness and maintain clear understanding of EMF among the USFC staff and contractor staff. The training program mentioned above will determine the frequency of the trainings.

The scope of the training will cover environmental guidelines, RPF, general environmental and social awareness, waste disposal and effective house-keeping during the construction as well as operation activities, in order to minimize the environmental as well as social concerns of the project.

Cost of the environmental trainings will need to be estimated at two levels. Cost of the trainings to be provided by the USFC staff will need to be estimated at the project planning stage by USFC, whereas cost of the trainings to be provided by the EM should be estimated by each respective contractor, and included in his overall cost estimates.

4.7 Documentation

The documentation requirements for the EMF implementation would also be simple. USFC would have the prime responsibility for generating various documents and maintaining their record. USFC would develop easy-to-fill checklists, on the basis of the environmental guidelines and RPF discussed above. The contractors would be required to fill these checklists and provide a copy to USFC, who would maintain a complete record of these filled checklists and any follow-up action taken on them.

USFC would also maintain a complete record of the training modules developed, training programs conducted and the attendees of these trainings.

4.8 EMF Budget

The EMF budget will have two distinct components: i) the cost associated with the activities to be carried out by USFC, such as providing environmental trainings to its own staff; and ii) the cost associated with the activities carried out by each contractor. These are discussed below.

The environmental management cost associated with the activities carried out by USFC will need to be estimated at the project planning phase. These costs will essentially correspond to the environmental trainings to be conducted by USFC, and documentation, mentioned in **Sections 4.6** and **4.7**, respectively. USFC should not incur any additional cost associated with other aspects of the environmental management, since these activities will not be carried out by staff dedicated for this purpose.

At the contractor level, the implementation cost of EMF will need to be estimated for each individual work package, which may comprise of a telecenter and its associated system/equipment such as pylon and underground cable. The cost estimate will include, where applicable, the following aspects:

- staff dedicated for environmental management, if any,
- environmental trainings,
- land acquisition in accordance with RPF,
- compensation for any affected structure in accordance with RPF,
- crop compensation in accordance with RPF,
- documentation,
- tree plantation,
- environmental monitoring.

The contractors will be responsible to include the above costs in their overall cost estimates.

Exhibit 4.1: Roles and Responsibilities

<i>Organization</i>	<i>Responsibility</i>
USFC (through the Environmental Coordinator)	Overall responsible for the implementation of EMF and the environmental performance of the project.
	Prepare cost estimates for environmental management of the project.
	Develop environmental training modules and periodically conduct environmental trainings for the USFC staff, contractor staff and the community.
	Maintain a complete record of the trainings (training modules developed, trainings conducted and attendees)
	Prepare simple checklists on the basis of the environmental guidelines (Exhibits 4.2 to 4.5)
	Ensure that the contractors fill the checklists on regular basis.
	Review the filled checklists and determine any corrective action, if required.
	Maintain a record of all the filled checklists, and the corrective actions planned/undertaken.
	Periodically visit the construction sites, in order to monitor the filling of the checklists, and to determine their effectiveness.
	Maintain a complete record of the above mentioned field visits.
	Ensure that the environmental considerations for the building design/siting are adequately adhered (Exhibit 4.2).
	Ensure that RPF (Appendix A) is being implemented.
	Coordinate with any other stakeholder, such as the MOIT, PTA, any NGO, EPA or any other organization interested to know the environmental performance of the project.
Contractor (through its Environmental Monitor)	Prepare EMF cost estimates and include in the overall costing.
	Participate in the environmental trainings conducted by USFC.
	Implement the environmental guidelines in the field, during the construction activities.

<i>Organization</i>	<i>Responsibility</i>
	Fill the environmental checklists on regular basis, and provide copied to USFC.
	Provide feed back to USFC on the effectiveness of the checklists and EMF.
	Implement RPF.
	Increase the environmental awareness among the contractor staff.

Exhibit 4.2: Environmental Guidelines for Design Phase

Technical Aspects

- ▶ Design of the proposed buildings/other installations should adhere to all standard technical requirements.
- ▶ Design of the proposed buildings and pylons should adhere to international best practice, in order to avoid adverse impacts on environment and human health.
- ▶ The design should cater to the earth quake classification of the area.
- ▶ The design should address the flood risks in the area.
- ▶ Design should address soil erosion risk particularly in hilly areas.
- ▶ Use of the local materials should be maximized.
- ▶ The design of telecentres should include provision of water supply and sanitation services.
- ▶ The design of telecentres should include adequate ventilation and illumination facilities.
- ▶ The toilet design should address the water scarcity in the water-scarce areas.

Social and Gender Aspects

- ▶ The building should have separate toilets for men and women, where appropriate.
 - ▶
-

Exhibit 4.3: Environmental Guidelines for Construction of Buildings and Pylons

Facility Location

- ▶ The location should be selected with consent of the community.
- ▶ The facilities should not be constructed over any disputed land.
- ▶ The wildlife protected areas should be avoided, when selecting the site for the telecentres and other project facilities. In case such facilities are to be located inside such areas, a separate, site specific environmental study should be carried out. Furthermore, if the proposed works are to be carried out in the vicinity of these sites, the relevant Wildlife or Forest department must be consulted before commencing the physical works. See **Exhibit B.1** in **Appendix B** for these areas in the country).
- ▶ The sites of archeological, historical, cultural or religious significance should be avoided. If unavoidable, a separate, site specific environmental study should be carried out. See **Exhibit B.2** in **Appendix B** for these areas in the country.
- ▶ The project will avoid areas where the existence of indigenous people is known or expected. However if such groups are identified during the project implementation, the proponents will develop an Indigenous People Development Plan, in compliance with the OP and get it approved by the Bank.
- ▶ The buildings should not be constructed on areas having any significant natural vegetation.
- ▶ The buildings should be constructed on flat land as far as possible.
- ▶ The pylons should be erected on flat land as far as possible.
- ▶ Buildings and pylons should not be located in any natural drainage.
- ▶ The health hazards of electromagnetic radiation associated with the mobile phone towers are negligible (see **Appendix C**). However, to be on the safe side, such towers/pylons will not be located adjacent to sensitive receptors, such as schools and hospitals. MOIT is in the process of formulating guidelines addressing the health hazards of the radiation. The proposed installations should adhere to these guidelines.

Land Acquisition

- ▶ RPF should be implanted.
- ▶ In case of direct purchase of the land for telecenters or any other facility, the transaction will be made on the basis of 'willing buyer – willing seller', on mutually agreed market-based price. The title of the land will be transferred in accordance with the relevant rules and regulations. The entire agreement will be documented and signed by all parties concerned.
- ▶ In case the land for the proposed facilities is acquired under the Land Acquisition Act, the emergency clause will not be used. The entire process will be documented and the title of the land will be duly transferred to the buyer.

- ▶ Alternatively, the land/premises can also be obtained on rental basis. The entire process should be properly documented.
- ▶ Required documentation should be completed for the land purchase. These would include preparation of a transfer deed on court papers (*Stamp Paper*) which should be signed by the owner(s) of the land and endorsed by the *Patwari* (land record clerk). The transfer deed should then be registered by the Registrar. Involvement of the District Government is also recommended in this process.
- ▶ The land under the towers/pylons can also be acquired according to the procedures described above (ie, through direct purchase or in accordance with the Land Acquisition Act).
- ▶ In case the land under the pylon or tower is acquired on lease/rental basis, the lease/rental amount will include the loss of income generating opportunities (whether one-time or permanent) associated with the affected land. For example, if crops are damaged under the tower/pylon only during the construction phase, a one-time crop compensation will be paid to the owner/grower. However, In case the owner/cultivator cannot use the affected piece of land even after the construction phase, the lease/rental amount will include crop compensation for the entire lease/rental period. The compensation amount will correspond to the entire area affected, including any periphery fencing, if any. The crop compensation will be estimated on the basis of prevailing market price of the affected crop.
- ▶ In case the pylons are erected on the State land or in the existing right of way, requisite approvals from the concerned department/authority should be obtained. Complete documentation record should be maintained.

Construction Activities

- ▶ Slope stabilization and soil erosion control measures should be taken where required, particularly in hilly terrain.
- ▶ Damage to the adjacent property/crops/infrastructure should be avoided. Any such damage should be repaired by the contractor; otherwise, appropriate compensation should be paid to the affectees.
- ▶ Water should be procured in consultation with the community in water scarce areas.
- ▶ The community should be informed about the construction activities and associated safety hazards.
- ▶ Protective fencing should be used where necessary.
- ▶ Nighttime works should be avoided as far as possible.
- ▶ Use of local material and local labour should be maximized as much as possible.
- ▶ Local norms and customs should be respected. Gender sensitivities should be appropriately addressed through awareness raising among the construction crew.
- ▶ Should any archeological or historical sites or artifacts are discovered during the construction activities, the works will be stopped and the Department of Archeology, Government of Pakistan will be contacted for further advice.

- ▶ The trees that need to be removed for establishing the proposed facilities (telecenters, pylons and others) will be counted and their type, age, size and approximate salvage price determined and documented – before any physical work is carried out at the site. Photographic record will also be maintained for the pre-project conditions. The contractor will carry out tree plantation to compensate any such tree cutting during the project execution. The trees thus planted will be at least five times the ones removed. The trees will be planted at/around the proposed facilities, or at any other suitable location in consultation with USFC and community. The local tree species will be preferred.

Waste Disposal

- ▶ Appropriate waste disposal mechanism should be followed during the construction phase. The construction waste would be disposed in a manner that does not contaminate surface or groundwater.
 - ▶ The recyclable waste should be sold to the recycling contractors; the biodegradable waste should be buried at an appropriate place; the left-over construction material should be sold to other users; and the remaining waste should be burnt at a place at a safe distance from the settlements.
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Exhibit 4.4: Environmental Guidelines for Underground Cable Laying

Cable Route Selection

- ▶ The wildlife protected areas should be avoided. If unavoidable, a separate, site specific environmental study should be carried out. Furthermore, if the proposed works are to be carried out in the vicinity of these sites, the relevant Wildlife or Forest department must be consulted before commencing the physical works. See **Exhibit B.1** in **Appendix B** for these areas in the country).
- ▶ The sites of archeological, historical, cultural or religious significance should be avoided. If unavoidable, a separate, site specific environmental study should be carried out. See **Exhibit B.2** in **Appendix B** for these areas in the country.
- ▶ The project will avoid areas where the existence of indigenous people is known or expected. However if such groups are identified during the project implementation, the proponents will develop an Indigenous People Development Plan, in compliance with the OP and get it approved by the Bank.
- ▶ The route should avoid any significant natural vegetation.
- ▶ The trees that need to be removed for cable laying will be counted and their type, age, size and approximate salvage price determined and documented – before any physical work is carried out at the site. Photographic record will also be maintained for the pre-project conditions. The contractor will carry out tree plantation to compensate any such tree cutting during the project execution. The trees thus planted will be at least five times the ones removed. The trees will be planted at/around the proposed facilities, or at any other suitable location in consultation with USFC and community. The local tree species will be preferred.
- ▶ The route will be selected inside the State land as far as possible.

Acquisition of Temporary Right of Way

- ▶ If the cable route passes through private land, the temporary right of way will be acquired from the owner(s) after paying the mutually agreed compensation. The compensation amount will include damage to crops or orchards, if any.
- ▶ The entire agreement for the compensation will be documented.

Excavation and Backfilling Activities

- ▶ Soil erosion control measures should be taken where required during excavation, particularly in hilly terrain.
- ▶ The activities should not affect the natural drainage of the area.
- ▶ Damage to the property/crops/infrastructure along the route should be avoided. Any such damage should be repaired by the contractor; otherwise, appropriate compensation should be paid to the affectees.

- ▶ About 30 cm layer of topsoil in the cultivable areas should be stacked separately, and should be used as the top layer during backfilling, in consultation with the land owner/grower.
- ▶ The cable trench should not be left uncovered for extended period of time. The excavation should only be carried out when all the required materials and manpower are available for cable laying. Backfilling should be carried out as soon as possible.
- ▶ The community should be informed in advance about the cable laying activities and associated safety hazards.
- ▶ Access routes should not be blocked during the cable laying works. If unavoidable, alternate routes should be identified in consultation with the affected community. Also, the duration of such blockages should be minimized through astute planning.
- ▶ Nighttime works should be avoided as far as possible.
- ▶ Use of local material and local labour should be maximized as much as possible.
- ▶ Local norms and customs should be respected. Gender sensitivities should be appropriately addressed through awareness raising among the construction crew.
- ▶ Should any archeological or historical sites or artifacts are discovered during the excavation, the works will be stopped and the Department of Archeology, Government of Pakistan will be contacted for further advice.

Waste Disposal

- ▶ Appropriate waste disposal mechanism should be followed during the construction phase. The construction waste would be disposed in a manner that does not contaminate surface or groundwater.
 - ▶ The recyclable waste should be sold to the recycling contractors; the biodegradable waste should be buried at an appropriate place; the left-over construction material should be sold to other users; and the remaining waste should be burnt at a place at a safe distance from the settlements.
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Exhibit 4.5: Environmental Guidelines for the Operation Phase

Health Concerns

- ▶ The water supply at the facilities should be maintained hygienically.
- ▶ The toilets should be kept functional.
- ▶ Solid waste disposal system should be developed and maintained.
- ▶ Awareness level should be raised among the staff regarding communicable diseases and the associated precautionary measures.

Gender Issues

- ▶ Separate toilets should be maintained for men and women where practical.
- ▶ Awareness level should be developed on gender issues among the staff.

General Issues

- ▶ Environmental awareness should be enhanced among the staff.
 - ▶ Attempts should be made to raise the environmental awareness of the community in general, particularly on issues such as waste disposal. Posters at the telecenters can be fixed for this purpose.
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5. Conclusions

The project activities involving physical intervention and hence interaction with the environment include construction of buildings, erection of pylons and laying of underground cables. However, these installations will be spread all over the country, and the individual activity will be quite small, thus causing minimal of the environmental impacts, and even these impacts will be mostly temporary in nature.

In order to assess the above impacts, an environmental screening of the proposed project was carried out. The screening confirmed that the project would not result in any significant and lasting environmental impacts. The screening also concluded that the present assessment was sufficient, and no further EA action would be needed, in accordance with the national regulatory requirements as well as WB OP 4.01.

In order to address the potentially adverse impacts of the project, particularly during the construction phase, an EMF has been developed, which will further improve the environmental performance of the project. The EMF assigns roles and responsibilities, provides environmental guidelines, defines environmental training needs, and discusses cost budget for environmental management. In addition, an RPF has also been developed in accordance with the provisions of OP 4.12, which addresses the potential impacts associated with involuntary resettlement.

Appendix A: Resettlement Policy Framework (RPF)

Resettlement Principles

The basic resettlement principles and guidelines include the following:

- ▶ The project affected people (PAPs) are defined as those who stand to lose land, houses, structures, trees, crops, businesses, income, livelihood or access to assets/livelihood as a consequence of the proposed project activities.
- ▶ All PAPs are equally eligible for compensation and rehabilitation assistance, irrespective of land ownership status, to ensure that those affected by the project will be at least as well off, if not better off than they would have been without the Project.
- ▶ Absence of title will not be a bar for PAPs to receive compensation and rehab assistance except for compensation for land. Compensation for land will require a title.
- ▶ The compensation packages will reflect replacement costs for all losses (such as lands, crops, trees, structures, businesses, income, etc.).
- ▶ PAPs will be systematically informed and consulted about the project, and RPF will be made available to the affected persons and communities.
- ▶ For land acquired under the LAA (1894), section 17(4) the emergency/urgency clause, will not be used in the absence of an emergency/urgency situation
- ▶ For land purchased, the concept of willing buyer/willing seller at market price and with consensus of both parties will be used.
- ▶ For land located under the pylons, compensation will be paid for crops and only if the land becomes inaccessible and out of productive use, it will be purchased/acquired.
- ▶ All assets/infrastructure and livelihood negatively impacted will be compensated at replacement cost (salvage value will not be deducted).
- ▶ All community and religious sites affected by the project activities will be compensated or rebuilt.
- ▶ All public utilities affected/damaged by the project will be compensated.
- ▶ All trees affected by the project will be compensated and affectees allowed to salvage the trees.

Entitlement Framework

The entitlement framework for the proposed project is provided below.

Type of Loss	Definition of Entitled Persons	Entitlement Policy	Responsibility
Loss of agriculture	Legal users with valid title, customary or	Project affected people (PAPs) will be entitled to:	Contractor through

Type of Loss	Definition of Entitled Persons	Entitlement Policy	Responsibility
land ⁴	usufruct rights.	<ul style="list-style-type: none"> ○ Cash compensation for acquired land at market value. If LAA is used, an amount of 15% will be added to the market price, in accordance with the LAA 1894. 	Environmental Monitor (EM).
	Tenant, leaseholder and sharecropper	PAPs will be entitled to: <ul style="list-style-type: none"> ○ Reimbursement for unexpired lease. 	Contractor through EM.
	PAPs without valid title (vulnerable ⁵ encroachers or squatters)	PAPs will be entitled to: <ul style="list-style-type: none"> ○ Cash compensation for affected structures at replacement value. 	Contractor through EM.
Loss of residential, commercial, industrial or institutional land	Legal users with valid title, customary or usufruct rights.	PAPs will be entitled to: <ul style="list-style-type: none"> ○ Cash compensation for acquired land at market value. If LAA is used, an amount of 15% will be added to the market price, in accordance with the LAA 1894. 	Contractor through EM.
	Tenant and leaseholder	PAPs will be entitled to: <ul style="list-style-type: none"> ○ Reimbursement for unexpired lease. 	Contractor through EM.
	PAPs without valid title (vulnerable encroachers or squatters)	PAPs will be entitled to: <ul style="list-style-type: none"> ○ Cash compensation for affected structures at replacement value. 	Contractor through EM.
Structures (residential, commercial, industrial or institutional)	Owners of affected structure, with or without legal title, customary or usufruct rights	PAPs will be entitled to: <ul style="list-style-type: none"> ○ Cash compensation for affected structures, or portion of the structure, at replacement value. ○ Allowance to cover the repair cost of the remaining structure. 	Contractor through EM.

⁴ In case of land acquisition, Section 17 of the LAA will not be used, in the absence of the emergency/urgency.

⁵ Vulnerable: below poverty line.

Type of Loss	Definition of Entitled Persons	Entitlement Policy	Responsibility
Loss of common resources and facilities	Communities/households	<ul style="list-style-type: none"> ○ Replacement of the common property resources/facilities, in consultation with the affectees. ○ Access to equivalent resources/facilities. 	Contractor through EM.
Loss of standing crops	Households who cultivate the land	<p>PAPs will be entitled to:</p> <ul style="list-style-type: none"> ○ Cash compensation equivalent to the market value of damaged crops. 	Contractor through EM.
Loss of trees	Owners of the affected trees (irrespective of the land title)	<p>PAPs will be entitled to:</p> <ul style="list-style-type: none"> ○ Cash compensation equivalent to the market value of trees on the basis of type, age and productivity. 	Contractor through EM.
Loss of public infrastructure	Relevant agencies	<p>Compensation in cash at replacement cost to respective agencies, or</p> <p>Restoration/repair of the damaged infrastructure in a similar or better condition as before.</p>	Contractor through EM.
Loss of or damage to religious sites (eg, mosques, graveyards, shrines)	Community and affected households	<p>Replacement cost for religious sites. Cost of removal of graves and all related costs for its relocation.</p>	Contractor through EM.

Appendix B

Exhibit B.1: Wildlife Protected Areas

Protected Area Name	Area (ha)	Classification	Coordinates
Balochistan			
Astola Island (Haft Talar)	Not recorded	Unclassified	25/17 N. 63/50 E.
Bund Khush Dil Khan	1,296	Wildlife Sanctuary	30/36 N. 66/45 E.
Buzi Makola	145,101	Wildlife Sanctuary	Not Recorded
Chagai-Seistan Desert	Not recorded	Unclassified	29/18 N. 64/44 E.
Chorani	19,433	Wildlife Sanctuary	Not Recorded
Dhrun	167,700	National Park	Not Recorded
Dureji	178,259	Wildlife Sanctuary	Not Recorded
Ghurnzadi	6,649	Game Reserve	33/22 - 33/25 N. 71/03 - 71/15
Gogi	7,773	Game Reserve	Not Recorded
Goth Raisani Game Reserve	Not recorded	Unclassified	Not Recorded
Gut	165,992	Wildlife Sanctuary	Not Recorded
Hazar Ganji-Chilttan	15,555	National Park	29/59 - 30/09 N. 66/24 - 66/54
Hingot	165,004	National Park	Not Recorded
Jawani Beaches	Not recorded	Unclassified	25/02 N. 61/45 E.
Kachai Marai	6,143	Game Reserve	33/34 - 33/41 N. 71/09 - 71/17
Kachau	21,660	Wildlife Sanctuary	Not Recorded
Kambran	211,433	ha Game Reserve	Not Recorded
Karkhasa	4,049	Game Reserve	Not Recorded
Kho-e-Geish	24,356	Wildlife Sanctuary	Not Recorded
Khurkhera	18,345	Wildlife Sanctuary	Not Recorded
Kolwah Kap	33,198	Wildlife Sanctuary	26/02 N 64/39 E.
Pasni Coastline	Not Recorded	Unclassified	25/15 N. 63/28 E.
Raghai Rakhshan	125,425	Wildlife Sanctuary	27/20 N. 65/20 E.
Ras Koh	99,498	Wildlife Sanctuary	28/50 N. 65/06 E.
Sasnamana	6,607	Wildlife Sanctuary	Not Recorded
Serajabad Game Reserve	Not	Unclassified	Not Recorded

Protected Area Name	Area (ha)	Classification	Coordinates
	Recorded		
Shashan	29,555	Wildlife Sanctuary	Not Recorded
Shinawari	5,360	Game Reserve	33/29 - 33/25 N. 70/44 - 70/49
Wam	10,364	Game Reserve	30/27 N. 67/43 E.
Zangi Nawar	1,060	Game Reserve	29/27 N. 65/47 E.
Zawar Khan	3,887	Game Reserve	Not Recorded
Ziarat Juniper	37,247	Wildlife Sanctuary	30/24 N. 67/44 E.
Federal Territory			
Islamabad	69,800	Game Reserve	33/43 N. 73/05 E.
Islamabad	7,000	Wildlife Sanctuary	34/43 N. 73/05 E.
Margalla Hills	17,386	National Park	33/48 N.73/10 E.
NWFP			
Agram Basti	29,866	Wildlife Sanctuary	36/06 - 36/19 N. 71/25 - 71/38
Ayubia	1,684	National Park	34/01 - 34/03 N. 73/22 - 73/27
Bagra	2,560	Game Reserve	33/56 - 33/59 N. 73/00 - 73/05
Bilyamin	7,090	Game Reserve	33/28 - 33/31 N. 71/11 - 71/19
Borraka	2,205	Wildlife Sanctuary	33/13 - 33/33 N. 71/11 - 71/19
Chitral Gol	7,750	National Park	33/51 - 33/56 N. 71/38 - 71/46
Darmalak	9,788	Game Reserve	33/24 - 33/27 N. 71/06 - 71/19
Drosh Gol	2,060	Game Reserve	35/30 - 35/32 N. 71/48 - 71/51
Gehrait Gol	4,800	Game Reserve	35/40 - 35/46 N. 71/45 - 71/53
Ghoranzadi	6,649	Game Reserve	Not Recorded
Goleen Gol	49,750	Game Reserve	33/49 - 34/17 N. 71/57 - 72/21
Jabbar	13,288	Game Reserve	33/32 - 33/37 N. 71/47 - 71/55
Kacha Marai	5,300	Game Reserve	Not Recorded
Kandar Dam	251	Unassigned (RW)	Not Recorded

Protected Area Name	Area (ha)	Classification	Coordinates
Kheshki Reservior	263	Unassigned (RW)	Not Recorded
Makhnial	4,148	Game Reserve	33/46 - 35/49 n. 73/03 - 73/09
Malugul Dhand	405	Unassigned (RW)	Not Recorded
Manglot	715	Wildlife Sanctuary	Not Recorded
Manshi	2,321	Game Reserve	34/41 N. 73/25 E.
Maraiwan	5,300	Game Reserve	Not Recorded
Nizampur	780	Game Reserve	33/44 - 33/46 N. 71/59 - 72/02
Purit Gol/Chitral Chinar Gol	6,446	Game Reserve	35/27 - 35/35 N. 71/51 - 71/55
Qalandar Abad	8,490	Game Reserve	33/56 - 33/59 N. 71/12 - 73/17
Rakh Sardaran	4,200	Game Reserve	33/54 - 34/01 N. 72/44 - 72/51
Rakh Topi	17,600	Game Reserve	33/03 - 33/17 N. 71/35 - 71/45
Resi/Toibanda	5,908	Game Reserve	33/23 - 33/29 N. 71/47 - 71/54
Sewagali	1,820	Game Reserve	34/43 - 34/47 N. 71/12 - 72/16
Sheikh Buddin	15,540	National Park	32/15 - 32/25 N. 70/45 - 71/10
Shekwaki-Chukhtoo	11,379	Game Reserve	33/15 - 33/20 N. 71/17 - 71/30
Shina-Wari Chapri	1,000	Game Reserve	Not Recorded
Sudham	11,500	Game Reserve	34/20 - 34/27 N. 72/06 - 72/20
Tanda Dam	405	Game Reserve	Not Recorded
Ten/Isak Khumari	18,966	Game Reserve	33/14 - 33/21 N. 70/53 - 71/07
Thanadarwala	4,050	Game Reserve	32/14 - 32/18 N. 70/44 - 70/53
Toshi	1,545	Game Reserve	35/56 - 35/59 N. 72/25 - 72/39
Totalai	17,000	Game Reserve	34/09 - 34/21 N. 72/25 - 72/39
Zarkani	12,800	Game Reserve	31/44 - 31/57 N. 70/11 - 70/21
Askor Nallah	12,955	Game Reserve	Not Recorded

Protected Area Name	Area (ha)	Classification	Coordinates
Punjab			
Abbasia Reserve Forest	2,731	Wildlife Sanctuary	Not Recorded
Bahawalpur R. F. Plantation	547	Wildlife Sanctuary	29/23 N. 71/39 E.
Bajwat	5,795	Game Reserve	Not Recorded
Bhagat Reserve Forest	251	Wildlife Sanctuary	Not Recorded
Bhakkar Forest Plantation	2,124	Wildlife Sanctuary	31/37 N. 71/03 E.
Bheni	2,068	Wildlife Sanctuary	Not Recorded
Bhon Fazil	1,062	Game Reserve	Not Recorded
Chak katora Reserve Forest	535	Wildlife Sanctuary	Not Recorded
Chak Reserve Forest	2,158	Wildlife Sanctuary	Not Recorded
Changa manga Plantation	5,063	Wildlife Sanctuary	31/05 N. 73/59 E.
Chashma Barrage	33,082	Wildlife Sanctuary	32/27 N. 71/19 E.
Chashma Lake	Not Recorded	Unclassified	32/27 N. 71/19 E.
Chaupalia	9,857	Game Reserve	Not Recorded
Chichawatni Forest Plantation	4,666	Wildlife Sanctuary	30/32 N. 72/42 E.
Chinji	6,070	National Park	32/42 N. 72/22 E.
Cholistan	660,921	Wildlife Sanctuary	29/59 N. 73/16 E.
Cholistan	2,032,6	Game Reserve	29/23 N. 71/39 E.
Chumbi-Surla	55,943	Wildlife Sanctuary	32/50 N. 72/46 E.
Daluana	2,314	Game Reserve	Not Recorded
Daman Reserve Forest	2,270	Wildlife Sanctuary	Not Recorded
Daphar Reserve Forest	2,897	Wildlife Sanctuary	32/24 N. 73/08 E.
Depalpur Plantation	2,928	Wildlife Sanctuary	30/40 N. 73/39 E.
Diljabba-Domeli	118,101	Game Reserve	Not Recorded
Fateh Major Forest Plantation	1,255	Wildlife Sanctuary	Not Recorded
Gatwala	5,883	Game Reserve	Not Recorded
Hamot Reserve Forest	889	Wildlife Sanctuary	Not Recorded
Head Islam/Chak Kotora	3,132	Game Reserve	29/49 N. 72/33 E.
Head Qadirabad	2,850	Game Reserve	32/18 N. 73/29 E.
Inayat Reserve Forest	4,211	Wildlife Sanctuary	Not Recorded
Indo/Pak Border Belt	Not Recorded	Game Reserve	Not Recorded
Jalalpur Lake	42	Wildlife Sanctuary	32/32 N. 72/14 E.

Protected Area Name	Area (ha)	Classification	Coordinates
Jalalpur Sharif Forest	2,263	Wildlife Sanctuary	32/41 N. 73/32 E.
Jauharabad Reserve Forest	399	Wildlife Sanctuary	32/17 N. 72/21 E.
Kala Chitta	132,605	Game Reserve	N. 72/20 E.
Kalabagh Game Reserve	1,550	Unclassified	34/04 N. 71/36 E.
Kamalia Plantation	4,396	Wildlife Sanctuary	30/43 N. 72/43 E.
Kathar	1,141	Game Reserve	33/45 N. 73/07 E.
Khabbeke Lake	285	Wildlife Sanctuary	32/37 N. 72/14 E.
Khanewal Plantation	7,217	Wildlife Sanctuary	30/18 N. 71/56 E.
Kharar lake	235	Wildlife Sanctuary	30/52 N. 73/13 E.
Kheri Murat	5,616	Game Reserve	Not Recorded
Kot Zabzal	10,117	Game Reserve	Not Recorded
Kotla issan Reserve Forest	2,178	Wildlife Sanctuary	Not Recorded
Kundal Rakh	2,999	Wildlife Sanctuary	Not Recorded
Kundian plantation	7,800	Wildlife Sanctuary	32/27 N. 71/29 E.
Lal Suhanra	51,588	National Park (WHS)	29/21 N. 71/58 E.
Lohi Bher Forest	887	Wildlife Sanctuary	33/43 N. 73/05 E.
Machu Plantation	4,109	Wildlife Sanctuary	Not Recorded
Miranpur Reserve Forest	768	Wildlife Sanctuary	Not Recorded
Mitha Tiwana Plantation	1,116	Wildlife Sanctuary	Not Recorded
Namal lake	482	Game Reserve	32/40 N. 71/49 E.
Pirawala kikarwala	506	Game Reserve	30/21 N. 72/02 E.
Qadirabad Head Works	2,849	Game Reserve	32/18 N. 73/29 E.
Rahri Bungalow	5,463	Game Reserve	Not Recorded
Rajan Shah Plantation	2,110	Wildlife Sanctuary	Not Recorded
Rakh Ghulaman	4,356	Wildlife Sanctuary	Not Recorded
Rasool Barrage	1,138	Game Reserve	32/42 N. 73/33 E.
Shorkot Forest Plantation	4,079	Wildlife Sanctuary	30/50 N. 72/04 E.
Sodhi I	5,817	Wildlife Sanctuary	32/35 N. 72/17 E.
Taunsa Barrage	6,566	Wildlife Sanctuary	30/42 N. 70/46 E.
Tehra Plantation	339	Wildlife Sanctuary	Not Recorded
Thal	71,275	Game Reserve	33/22 N. 70/33 E.
Ucchali lake	942	Game Reserve	32/36 N. 72/13 E.
Wathar Reserve Forest	1,874	Wildlife Sanctuary	Not Recorded
Sindh			

Protected Area Name	Area (ha)	Classification	Coordinates
Bijoro Chach	121	Wildlife Sanctuary	Not Recorded
Cut Munarki Chach	405	Wildlife Sanctuary	Not Recorded
Deh Akro/Nara Canal	20,000	Wildlife Sanctuary	? 27/42 N. 68/52 E.
Deh jangisar	314	Game Reserve	Not Recorded
Deh Khalifa	429	Game Reserve	Not Recorded
Deh Sahib Saman	349	Game Reserve	Not Recorded
Dhoung Block	2,098	Wildlife Sanctuary	Not Recorded
Dograyon lake	648	Wildlife Sanctuary	Not Recorded
Dosu Forest	2,312	Game Reserve	Not Recorded
Drigh Lake	164	Wildlife Sanctuary (RW)	Not Recorded
Ghamot	27,283	Game Reserve	Not Recorded
Ghondak Dhoro	31	Wildlife Sanctuary	Not Recorded
Gullel Khon	40	Wildlife Sanctuary	Not Recorded
Gulsher Dhand	24	Wildlife Sanctuary	Not Recorded
Hab Dam	27,219	Wildlife Sanctuary	25/05 N. 67/00 E.
Hadero lake	1,321	Wildlife Sanctuary	24/50 N. 67/53 E.
Hala	954	Game Reserve	25/48 N. 68/25 E.
Haleji Lake	1,704	Wildlife Sanctuary (RW)	24/49 N. 67/44 E.
Hawks Bay/Sandspit Beaches	324	Wildlife Sanctuary	Not Recorded
Hilaya	324	Wildlife Sanctuary	Not Recorded
Indus River	44,200	Game Reserve	28/24 N. 69/45 E.
Keti Bunder South	8,948	Wildlife Sanctuary	24/08 N. 67/27 E.
Keti Bunder North	23,040	Wildlife Sanctuary	24/08 N. 67/27 E.
Khadi	81	Wildlife Sanctuary	Not Recorded
Khairpur Game Reserve	Not Recorded	Unclassified	27/32N . 68/47 E.
Khanpur	Not Recorded	Unclassified	Not Recorded
Khat Dhoro	11	Wildlife Sanctuary	Not Recorded
Khipro	3,885	Game Reserve	25/49 N. 69/21 E.
Kinjhar (Kain) Lake	13,468	Wildlife Sanctuary (RW)	29/54 N. 70/57 E.
Kirthar	308,733	National Park	25/44 - 27/15 N. 67/10.E
Kot dinghano	30	Wildlife Sanctuary	Not Recorded

Protected Area Name	Area (ha)	Classification	Coordinates
Lakht	101	Wildlife Sanctuary	26/36 N. 67/53 E.
Langh (lungh) Lake	19	Wildlife Sanctuary	27/30 N. 68/03 E.
Mahal Kohistan	70,577	Wildlife Sanctuary	Not Recorded
Mejiran	24	Wildlife Sanctuary	Not Recorded
Mando Dero	1,234	Game Reserve	Not Recorded
marho kohn	162	Wildlife Sanctuary	Not Recorded
Miani Dhand	57	Wildlife Sanctuary	25/27 N. 68/23 E.
Mirpur Sakro	777	Game Reserve	24/32 N. 67/38 E.
Mubahat Dero	16	Wildlife Sanctuary	Not Recorded
Munarki	12	Wildlife Sanctuary	Not Recorded
Nara	109,966	Game Reserve	27/42 N. 68/52 E.
Nara Desert	223,590	Wildlife Sanctuary	Not Recorded
Norang	243	Wildlife Sanctuary	Not Recorded
Pai	1,969	Game Reserve	Not Recorded
Pir Mahfooz Game Reserve	Not Recorded	Unclassified	Not Recorded
Pir Pagara Game Reserve	Not Recorded	Unclassified	Not Recorded
Runn of Kutch	320,463	Wildlife Sanctuary	Not Recorded
Sadnani	84	Wildlife Sanctuary	Not Recorded
Samno Dhand	23	Wildlife Sanctuary	Not Recorded
Shah Lanko	61	Wildlife Sanctuary	Not Recorded
Surjan,Sumbak,Eri & Hothiano	40,632	Game Reserve	25/25 N. 67/55 E.
Takkar	43,513	Wildlife Sanctuary	27/15 N. 68/49 E.
Tando Matha Khan	5,343	Game Reserve	Not Recorded

Source: Guidelines for Sensitive and Critical Areas. Government of Pakistan. 1997.

Exhibit B.2: Sites of Archeological and Historical Significance

Sindh Province

Badin District

1. Ruins of old city at Badin.

Dadu District

2. Tomb of Yar Muhammad Khan Kalhora and its adjoining Masjid near Khudabad, Dadu.
3. Jamia Masjid, Khudabad, Dadu.
4. Rani Kot Fort, Dadu.
5. Amri Mounds, Dadu.
6. Lakhomir-ji-Mari, Deh Nang opposite Police outpost, Sehwan, Dadu.
7. Damb Buthi, Deh Narpirar at the source of the pirari (spring), south of Jhangara, Sehwan, Dadu.
8. Piyaroli Mari, Deh Shouk near pir Gaji Shah, Johi, Dadu.
9. Ali Murad village mounds, Deh Bahlil Shah, Johi, Dadu.
10. Nasumji Buthi, Deh Karchat Mahal, Kohistan, Dadu.
11. Kohtrass Buthi, Deh Karchat about 8 miles south-west of village of Karchat on road from Thana Bula Khan to Taung, Dadu.
12. Othamjo Buthi Deh Karchat or river Baran on the way from the Arabjo Thano to Wahi village north-west of Bachani sandhi, Mahal, Kohistan, Dadu.
13. Lohamjodaro, Deh Palha at a distance of 30 chains from Railway Station but not within railway limits, Dadu.
14. Pandhi Wahi village mounds, Deh Wahi, Johi, Dadu.
15. Sehwan Fort, Sehwan, Dadu.
16. Ancient Mound, Deh Wahi Pandhi, Johi, Dadu.
17. Ancient Mound, Deh Wahi Pandhi, Johi, Dadu.

Hyderabad District

18. Tomb of Ghulam Shah Kalhora, Hyderabad.
19. Boundary Wall of Pucca Fort, Hyderabad.
20. Old office of Mirs, Hyderabad Fort, Hyderabad.
21. Tajar (Treasury) of Mirs, Hyderabad Fort, Hyderabad.
22. Tomb of Ghulam Nabi Khan Kalhora, Hyderabad.
23. Buddhist Stupa, (Guja) a few miles from Tando Muhammad Khan, Hyderabad.
24. Haram of Talpur Mirs, Hyderabad.
25. Enclosure containing Tombs of Talpur Mirs, Hyderabad.
26. Tower (Now used as water tank), Hyderabad Fort, Hyderabad.
27. Two Mosques and a Tomb, Tando Fazal, Hyderabad.
28. Tomb of Sarfaraz Khan Kalhora, Hyderabad.
29. Nasar-ji- Mosque, Mohalla Jhambhas, Nasarpur, Hyderabad.
30. Kiraiji Masjid, Mohalla Misri, Nasarpur, Hyderabad.
31. Mai Khairiji Masjid, Mohalla Memon, Hyderabad.
32. Mosque of Mirs, Hyderabad, ward "E", Hyderabad.
33. Enclosure containing Tombs of Talpur Mirs, Hyderabad.

Karachi District

34. Wazir Mansion, birthplace of Quaid-e-Azam Muhammad Ali Jinnah, Karachi new Naham Road, Bundar quarters, Kharadar, Karachi.

35. Chaukhandi Tombs, near Landhi on National Highway, Karachi.
36. Lakho Shaikh (Baluch) Graveyard, Kharkhro, Karachi.
37. Khaliq Dina Hall and Library, M.A. Jinnah Road, Karachi.
38. Jam Bijar Fort (or Banbhore), Mirpur Sakro, Karachi.
39. Frere Hall, Karachi.
40. Flag Staff House (Quaid-e- Azam House Museum), Karachi.
41. Mausoleum of the Quaid-e-Azam Muhammad Ali Jinnah, Karachi.

Khairpur District

42. Diji ki Takri mound, remains of earliest fortified town, Deh Ghaunro near Kot Diji Fort. Khairpur.
43. Fort at Kot Diji, Kot Diji, Khairpur.
44. Maro Waro Dhoro mound situated on sand hill, Deh Naro Dhoro 2 miles east of Tando Masti Khan, Khairpur.

Larkana District

45. Jhukar mound, Mithadaro, Larkana.
46. Moenjodaro, Buddhist monastery and prehistoric remains around Moenjodaro, Larkana.
47. Moenjodaro, Buddhist Stupa and prehistoric remains underneath, Moenjodaro, Larkana.
48. Tajjar Building, Jinnah Bagh, Larkana.
49. Tomb of Shah Baharo, Larkana.
50. Square Tower, near Dhamrao, Larkana.
51. Dhamrao Dero (three groups), Deh Dhamrao, Deh 67 Nasrat, Larkana.

Nawabshah District

52. Buddhist Stupa, Village Mir Rukan, Nawabshah.
53. Tomb of Nur Muhammad Kalhora, Deh of Village Nur Muhammad, 17 miles from Daulatpur, Nawabshah.
54. Qubbo Mir Shahdad, Shahpur, Nawabshah.
55. Bhiro Bham Mound, Tapa Chibore, Nawabshah.

Sanghar District

56. Brahmanabad (Mansura) locally known as Dalo Raja-ji-Nagri, Jamara, Tehsil Sinjhor. Deh Dalore, Sanghar.
57. Mound Thulh, Deh Kot Bujar, Sanghar.
58. Graveyard, Tehsil Shahdadpur, Sanghar.

Sukkur District

59. Mir Masum's Minar and tomb, Sukkur.
60. Satyan-jo-than, Rohri, Sukkur.
61. Bakkar Fort entire area including the walls and tombs of Hazrat Sadruddin Muhammad (occupied by the Army), between Lands down and Sukkur bridges, Sukkur...
62. Mumalji Mari, mound, Taluka Ghotki, Deh Mathelo, Sukkur.
63. Stone Tool Factory area Rohri, Sukkur.

Tharparkar District

64. Birth place of Akbar the Great (Small Building 9' x 9') near the town of Umerkot, Tharparkar.
65. Buddhist Stupa (Kahujodaro), Mirpurkhas, Tharparkar.
66. A stone mosque with white marble pillars, Bhodesar, Tharparkar.

67. Temple-I, Bhodesar, Tharparkar.
68. Temple-II, Bhodesar, Tharparkar.
69. Fort Naokot, Tharparkar.
70. Fort Umerkot, Tharparkar.
71. Gori Temple, 14 miles north-west of Virawah, Tharparkar.
72. Temple-IV, Bhodesar, Tharparkar.
73. Mound at Bhiro, Sherwah, Tharparkar.
74. Mound at Shadi Pali, Deh Khuda Bux, Tharparkar.
75. Jain Temple, Virawah, Tharparkar.
76. Brick Tomb of Arzi Khokhar, Ghitori, Goth, Deh No. 24, Tharparkar.
77. Tomb of Mir Khan s/o Karam Khan Talpur, Ghitori Goth, Deh No. 24, Tharparkar.
78. Tomb of Mir Jado, Ghitori Goth, Deh No. 24, Tharparkar.
79. Tomb of Mir Murad Khan, Ghitori Goth, Deh No. 24, Tharparkar.
80. Tomb of Musa Khan, Ghitori Goth, Deh No. 24, Tharparkar.
81. Tomb of Mir Raio, Ghitori Goth, Deh No. 24, Tharparkar.
82. Tomb of Shaheed Kapri Baloch, Ghitori Goth, Deh No. 24, Tharparkar.
83. A tomb (name not known) north-west of Shaheed Kapri Baluch, Ghitori Goth, Deh No. 24, Tharparkar.
84. Tomb of bricks, west of S.No. 81 above (name not known), Ghitori Goth, Deh No. 24, Tharparkar.
85. Stone tomb west of S. No. 82 above (name not known), Ghitori Goth, Deh No. 24, Tharparkar.
86. Tombs of Mir Fateh Khan and Mir Mirza Khan Ghitori Goth, Deh No. 24, Tharparkar.
87. Tomb of females of Mir dynasty, Ghitori Goth, Deh No. 24, Tharparkar.
88. Tomb of females of Mir dynasty, Ghitori Goth, Deh No. 24, Tharparkar.
89. Tomb of Aulia Pir Ghitori Badshah Qureshi, Ghitori Goth, Deh No. 24, Tharparkar.
90. Tomb and a Mosque, Ghitori Goth, Deh No. 24, Tharparkar.
91. Old ruined Mosque, Ghitori Goth, Deh No. 24, Tharparkar.

Thatta District

92. Brick dome to the north-east of tomb of Mubarak Khan (tomb of Fateh Khan's sister), Makli Hill, Thatta.
93. Tomb of Mubarak Khan son of Jam Nizamuddin, Makli Hill Thatta.
94. Tomb and compound wall of yellow stone to the south of Jam Nizamuddin, Makli Hill, Thatta.
95. Tomb and enclosure to the south-west of S. No. 92. Makli Hill, Thatta.
96. Tomb and enclosure to the west of the above tomb S. No. 93, Makli Hill, Thatta.
97. Brick dome to the south of the tomb S. No 94, above Makli Hill, Thatta.
98. Sultan Ibrahim and other tombs also but wrongly known a Amir Khalil Khan's tomb, Makli Hill, Thatta.
99. Tomb and compound wall of yellow stone to the south of Mirza Muhammad Baqi Tarkhan tomb (wrongly called Mirza Isa Khan's tomb), Makli Hill, Thatta.
100. Brick enclosure of Mirza Baqi Baig Uzbek's tomb, south of the tomb of Nawab Isa Khan the younger, Makli Hill, Thatta.
101. Dabgir Masjid, Makli Hill, Thatta.
102. Graveyard, Makli Hill, Thatta.
103. Goth Raja Malik graveyard known as Maqam Qadar Shah, Deh Raja Malik, Thatta.
104. Sonda graveyard, village Sonda, Thatta.

105. Jam Nizamuddin's tomb, Makli Hill, Thatta.
106. Baradari, Makli Hill, Thatta.
107. Tomb of Amir Sultan Muhammad son of Amir Hajika, Makli hill, Thatta.
108. Tomb of Nawab Isa Khan, the younger Makli Hill, Thatta.
109. Mirza Tughral Baig's tomb, Makli Hill, Thatta.
110. Tomb of Mirza Jani and Mirza Ghazi Baig, Makli Hill, Thatta.
111. Stone enclosure containing tombs of Nawab Isa Khan, Makli Hill, Thatta.
112. Mirza Muhammad Baqi Tarkhan's tomb (wrongly called Mirza Isa Khan's tomb) Makli Hill, Thatta.
113. Stone tomb with a dome on stone pillars by the side Mirza Jani Baig's tomb, Makli Hill Thatta.
114. Brick masjid and enclosure near Nawab Shurfa Khan's tomb (supposed to be the tomb of Sayyed Amir Khan), Makli Hill, Thatta.
115. Stone tomb with enclosure to the south of tomb of Mirza Muhammad Baqi Tarkhan, Makli Hill, Thatta.
116. Tomb of Mirza Muhammad Isa Turkhan I, Makli Hill, Thatta.
117. Brick tomb near the tomb of Qulia pir, Makli Hill, Thatta.
118. Tomb with superstructure on stone pillars to the north of tomb of Jam Nizamuddin, Makli Hill, Thatta.
119. Brick structure to the north of tomb of Jam Nizamuddin, Makli Hill, Thatta.
120. Two pavilions on stone pillars over the tombs to the southwest of tomb of Jam Nizamuddin. One is the tomb of Jam Sikandar Shah, Makli Hill, Thatta.
121. Kalan Kot, Makli Hill, Thatta.
122. Nawab Amir Khan's mosque, Makli Hill, Thatta.
123. Building with two domes near the Civil Hospital, Thatta, Makli Hill, Thatta.
124. Jama Masjid, Makli Hill, Thatta.
125. Sasian-Jo-Takar (Mirpur Sakro, Thatta.
126. Jama Masjid, Thatta.

NATIONAL MONUMENTS

1. Mausoleum of the Quaid-e-Azam Muhammad Ali Jinnah, Karachi.
2. Wazir Mansion, Quaid-e-Azam's birth place, Karachi.
3. Khaliq Dina Public Hal and Library, Karachi.
4. Flag Staff House (Quaid-e-Azam House Museum), Karachi.

WORLD HERITAGE MONUMENTS ON UNESCO LIST.

1. Mohenjodaro, District Larkana.
2. Makli Hill, Thatta.

Punjab Province

Attock District

1. Lala Rukh's tomb, Hasan Abdal, Attock.
2. Begum ki Sarai, on left bank of Indus River near Attock fort, Attock.
3. Saidan Baoli, Hatti, Attock.
4. Hakim's tomb, Hasan Abdal, Attock.
5. Chitti Baoli, Pindi Suleman Makhan, Attock.
6. Attock Fort, Attock.
7. Attock tomb, on G.T. Road near Ziarat Hazrat Baba Sahib, Attock.

8. Behram ki Baraddari, Attock.
9. Tope and Mnastery (Buddhist remains), 5 miles east of Hasan Abal Baoli Pind, Attock.
10. Kallar (temple) or Sassi da Kallara, village Shah Muhammad Wali, Tesil Talagang, Attock.
11. Site at Garhi, village Malak Mala, 6 miles east of hasan Abal, Attock.
12. Inderkot mosque, Fateh Jang, Inderkot, Attock.
13. Buddhist site (Behari Colony) Hasan Abddal Town, Behari Colony, Attock.

Bahawalpur District

14. Tomb of Abu Hanifa, Uchh Sharif, Bahawalpur.
15. Tomb of Bibi Jawidi, Uchh Sharif, Bahawalpur.
16. Tomb of Nuria, Uchh Sharif, Bahawalpur.
17. Tomb of Bhawal Halee, Uchh Sharif, Bahawalpur.
18. Tomb of Musa Pak Shaheed, Uchh Sharif, Bahawalpur.

Dera Ghazi Khan District

19. Ghazi Khan's Tomb, Mohalla Zaminaran, Village Chirotta, Ddera Ghazi Khan.
20. Ther Dallu Roy, Dajal, Ddera Ghazi Khan.

Faisalabad District

21. Wangar Wala Tibba, Chak No. 742, Tehsil Taoba Tek Singh, Faisalabad.

Gujranwala District

22. Baraari in Sherawala garen, Gujranwala city.
23. Tomb of Abdul Nabi Kotli Maqbara, Gujranwala.

Gujrat District

24. Akbari Baoli in fort Gujrat city.
25. Bahar Wali, Baoli Kharian Town, Gujrat.
26. Tomb of Shaikh Ali Baig, locally calle Hanjeera, Village Hailan, Tehsil Phalia, Gujrat.

Jhang District

27. Shahi Masi, Chiniot, Jahng.
28. Tomb of Shah Burhan, Chiniot, Jhang.

Jhelum District

29. Rohtas Fort, 5 miles from Dina Railway Station, Jhelum.
30. Ruined Temple with gateway, Melot, Jhelum.
31. Raja Mansigh's Haveli Rohtas, Jhelum.
32. Hill measuring 25 ft. long and 190 ft. broad, Murti in Tehsil Pind Dadan Khan, Jhelum.
33. Two ancient tepes, Bhagan Wala, 11 miles from Haranpur Railway Station, Jhelum.
34. Ruins of Nandana, For Bhagan Wala, Jhelum.
35. Sardar of Hari Singh's Haveli, Katas, Jhelum.
36. Ruined Buddhist Stupa area around it, Katas, Tehsil Pind Dadan Khan, Jhelum.
37. Satghara temple Village Katas, Tehsil Pind Dadan Khan, Jhelum.

Khanewal District

38. Tomb of Khali Walid, village Kabirwala, Khanewal.

Lahore District

39. Tomb of Ali Mardan Khan and Gateway, Lahore.
40. Buddo's tomb, Lahore.
41. Sarvwala Maqbara, Lahore.
42. Huzuri Bagh Baradari, Lahore.
43. Dai Anga's tomb, Lahore.

44. Shalamar Garden, including baradari, gateway, kiosks, pavilions, well, Naqqar Khana, asmani well and garden, Lahore.
45. Old Fort, Lahore.
46. Buddho ka Awa, Lahore.
47. One kos minar, Lahore.
48. Roshani gate, Lahore.
49. Mirza Kamran's baradari, Lahore.
50. Tomb of Dr. Muhammad Iqbal, Lahore.
51. Tomb of Dr. Muhammad Iqbal, 34-A, Mcleod Road, Lahore.
52. Chauburji, Mazang, Lahore.
53. Gulabi Bagh gateway, Begumpura, Lahore.
54. Qutbuddin Aibak's tomb, Anar kali street, Lahore.
55. Tiled gateway and two bastions, Nawankot, Lahore.
56. Two kos minars, Minola, 6 miles from Jullo, Lahore.
57. Tomb of Shaikh Mosa, Ahangar, mosque and house, Mcleod Road, 35, Chiraghan Street, Lahore.
58. Tomb of (erroneously called) Zebun-Nisa, Nawankot, Lahore.
59. Naddira Begum's tomb and tank, Mian Mir, Lahore Cantonment, Lahore.
60. Hujra Mir Mehdi (Janazegah), Kot Khawaja Saeed, Lahore.
61. Tomb of Prince Parwaiz, Kot Khawaja Saeed, Lahore.
62. Tomb of Nawab Bahadur Khan, Mughalpura near Railway crossing, B-II, South of railway carriage shop, Lahore.
63. Javed Manzil, Allama Iqbal Road, Lahore.
64. Jahangir's tomb and compound, Shahdara, Lahore.
65. Akbari Sarai an mosque, Shahdara, Lahore.
66. Tomb of Asif Khan and compound, Shahdara, Lahore.
67. Tomb of nur Jeha, Shahdara, Lahore,
68. Tomb of Mahabat Khan and boundary wall, Baghbanpura, Lahore.
69. Samadh of Rajit Singh, Karakh Singh and Nau Nihal Singh, Lahore.
70. Tomb of Anarkali, Lahore.
71. Baradari and Samadh of Maharaja Sher Singh, Lahore.
72. Badshahi mosque, Lahore.
73. Wazir Khan's mosque, Lahore.
74. Chitta gate, Chowk Wazir Khan inside elhi Gate, Lahore.
75. Another gate to northeast of Wazir Khan's mosque, Chowk Wazir Khan, Lahore.
76. Well of Raja Dina Nath, Chowk Wazir Khan, Lahore.
77. Masti gate, Lahore.
78. Bhati gate, Lahore.
79. Sheranwala gate, Lahore.
80. Kashmiri gate, Lahore.
81. Lahori known as Lahori gate, Lahore.
82. Delhi gate, Lahore.
83. Wazir Khan's hammams inside Delhi gate, Chowk Wazir Khan, Lahore.
84. Haveli Nau Nihal Singh including garden, quarters, latrine etc. inside Bhati gate, Kucha Nau Nihal Singh, Lahore.
85. Tomb of Khawaja Sabir (Nawab Nusrat Khan) inside Railway Mechanical Workshop,

Mughalpura, Lahore.

86. Tomb of French Officer's daughter, Kuri Bagh, Lahore.
87. Wazir Khan's baradari, old Anarkali, Behind Lahore Museum, Lahore.
88. Samadh of Jhingar Shah Suthra (Suthron ka Asthan) Suthron, Teshl Lahore, Lahore.
89. Samadh of Bhai Wasti Ram Tixali gate near Shahi Qila, Lahore.
90. A Mughal period tomb, Tehsil Lahore Singhapura, oppsite Police Post, Lahore.
91. Jani Khan's tomb, Baghbanpura, Lahore.
92. Dai Anga's mosque, Naulakha, Lahore.
93. Mosque with glazed tiles work, Bagumpura, Lahore.
94. Mosque of Nawab Zakariya Khan, Bagumpura, Lahore.
95. Inayat Bagh, opposite Shalamar Garden, Bagumpuura, Lahore.
96. Angori bagh, opposite Shalamaer Garen Bagumpura, Lahore.
97. Mariam Zammani mosque, insie Masti gate, Lahore.

Mianwali District

98. Shershah's baoli, Wah Buchhran, Mianwali.
99. A buddhist Stupa with a surrounding area on River Inddus to the north of Village Rokhari, Mianwali.

Multan District

100. Sawi Masjid an graves, Kotla Tole Khan, Multan.
101. Tombs of Petrick Alexander Vana, Andrew & William Anderson, Old Fort, Multan.
102. Shrine of Rukne Alam, Old For, Multan.
103. Tomb of Shah Ali Akbar's mother, Sura Miana, Multan.
104. Tomb of Shams Tabriz, Sura Miana, Multan.
105. Tomb of Shah Ali Akbar, Sura Miana, Multan.
106. Tomb of Shah Yousuf Gardezi, Multan.
107. Mound Ratti Khari, Head Bust 133 village Bhatianwala, Teshil Kaberwala, Multan.
108. Tobm of Shah Hussain Soozai, near Abdal Road, Multan.
109. Tomb of Mai Mehraban, Mohallah Kirialoghana, Multan.
- 110 Ruined mosque Village Sargana, Multan.
111. Maryala Moun, Chak No. 267/IOR, Multan.

Muzaffargarh District

112. Tomb of Thar Khan Nahar, Sitpur, Musaffargarh.
113. Mosque of Tahar Khan Nahar, Sitpur, Muzaffargarh.
114. Tomb of Sheikh Sadan Shaheedd, Village Sadan, Muzaffargarh.

Rawalpini District

115. Tope or stupa (Buddhist), Mankiyala, Rawalpindi.
116. Top or stupa (Buddhist) Bhallar, Rawalpindi.
117. Pharwala fort Pharwala, Rawalpindi.
118. Losar baoli, Wah Cantonment, Rawalpindi.
119. Bhir Moun, Taxila, Mauza Majawer, Rawalpindi.
120. The area or Track known as Babar Khan, Taxila, Babar Khan, Rawalpindi.
121. Kalawansite, Mauza Karawal, Rawalpindi.
122. Chirtope site, Taxila, Chirtope, Rawalpindi.
123. Sirkap site, Mauza Gangu Bahaddur, Rawalpindi.
124. Giri remains, Mauza Khuram Gujjar, Rawalpindi.

125. Mohra Maradu site, Taxila, Rawalpindi.
126. Rewat fort, Village Rewat, Rawalpindi.
127. Nicholson Column, Margala Pass, Rawalpindi.
128. Kos minar, Milestone 102, G.T. Road, Rawalpindi.
129. Kos Minar, near Golara Railway Station, Rawalpindi.
130. Farudgh-e-Shahan-e-Mughalia, tank and garden Wah, Rawalpindi.
131. Ratta Pind, Village Gangu Bahadur, Rawalpindi.

Sahiwal District

132. Mounds, Harappa, Saiwal.
133. Mir Chakar's tomb, Satghara, Sahiwal.
134. Tomb of Syyed Daud Kirmani, Shergah, Sahiwal.

Sargodha District

135. Three temple inside fort, Amb Sargodha.
136. Site of ancient city, Bhera, Sargodha.
137. Site of ancient city, Vijjhi, 2 milles southwest of Miani known as Sabzal Pind, Sargodha.
138. A red sandstone teple, Sodhi Zerine, Sargodha.

Sheikhupura District

139. Sheikhupura fort, east of Sheikhupura town, Sheikhupura.
140. Baoli and mosque, Jandiala Sher Khan, Sheikhupura.
141. Tank and tower, Sheikhupura.
142. Tomb of Abdullah Shah, Jandiala Sher Khan, Sheikhupura.
143. Mound Mian Ali Sahib, Mian Ali Faqiran, Sheikhupura.
144. Tibba (Mound), Kala Shah Kaku, Sheikhupura.
145. Tomb of Noor Muhammad, Jandiala Sher Khan, Sheikhupura.
146. Tomb of Hafiz Barkhurdar, Jandiala Sher Khan, Sheikhupura.

Sialkot District

147. Tibba Jolian, Sialkot.

Balochistan Province

1. Pirak mound, Village Kolachi, Kachhi.

Kalat District

2. Nindo Damb, Ornach Valley, Tehsil Wadh, Kalat.

Kharan District

3. Fort wall of Jalawar Pass, Jhalawar, Kharan.
4. Fort of Azad Khan (Kharan Fort), Kharan town, Kharan.
5. Pally Kalat, Washbohi, Kharan.
6. Nauroze fort, Nauroze Kharan.
7. Ancient tomb, Jhalawar, Kharan.
8. Har-o-Goke, Garuk, Kharan.

Lasbella District

9. Ancestral graveyard of Jam of Lasbella, Babrs, Lasbella.
10. Tomb of General Muhammad Ibn-e-Haroon, Bela town, Lasbella.
11. Tombs at Hinidan, Pir Mubarakm Lasbella.
12. Chowkhundi (Rumi) graves, Bhawani Sarai, 5 miles from Hub Chowki, Lasella.

Loralai District

13. Tordheri site, Tordheri, Loralai.
14. High cound, Dabarkot, Loralai.
15. Pre-historie mound, Harian Haider Zai, Loralai.

Nasirabad District

16. Damb Judeir or Judeir-jo-daro, Deh Jodher No.2 between Jhatpat and Dera Murad Jamali, Nasirabad.

Quetta District

17. Mound No. 2, Village Samangali, west side of Airport, Quetta.
18. Mound No.1, Village Kotwal Near Killi Gul Muhammad, Quetta.
19. Mound No. 3, Damb Sadat, 14 miles from Quetta, Quetta.
20. Mound No. 5, Ahmad Khan Zai, Quetta.
22. Mound No. 7, Kachlak on Chaman Road, Quetta.
23. Mound NO. 8, Village Samali (Dosak-i-Khasyan), Quetta.
24. Mound No. 9, Village Metar Zai, Quetta.
25. Mound No. 10, Shaikh Manda on Chaman Road, Quetta.
26. Mound No. 11, Village Vauhisar, Quetta.

Sibi District

27. Quaid-i-Azam Residency Building, Ziarat, Sibi.

NATIONAL MONUMENT

Ziarat Residency, Ziarat.

NWFP

Abbottabad District

1. Jandial, A,B,C,D, (excavated remains), Tafikian, Abbottabad.
2. Sirsukh city, Marchabad, Abbottabad.
3. Jaulian site, Jaulian, Abbottabad.
4. Piplan site, Jaulian, Abbottabad.
5. Garhian (Lal Chak) stupa and monastery, Garhian, Abbottabad.
6. Badalpur stupa and monastery, Badalpur, Abbottabad.
7. Ancient stie, Bhamala, Abbottabad.
8. Tofikian mound, Tofikian, Abbottabad.
9. Therr Bajran Sites B,C,D, Tofikian, Abbottabad.
10. Pind Ghakhran mound, Pind Ghakhran, Abbottabad.
11. Mirpur mound, Mirpur, Abbottabad.
12. Tope iste (mound), Jaulian, Abbottabad.
13. Bhera (mound) Bhera, Abbottabad.
14. Chitti site, Chitti, Abbottabad.
15. Tarnawa Chitti site A & B, Tarawa, Abbottabad.
16. Burj or Tuma site, Garamthun, Abbottabad.
17. Bhari Dheri, Kutehra, Abbottabad.
18. Dana Wali, Kutehra, Abbottabad.
19. Tope site, Kamalpur, Abbottabad.
20. Part of site, Dobandi, Abbottabad.
21. Zuro Dheri, Village Shin kiari, Abbottabad.

Bannu District

22. Akra (A) mound, near Village Bhart, Bannu.
23. Akra (B) mound, near Village, Vhart, Bannu.
24. Sheri Khan Tarakai, Village Jani Khel Wazir, Bannu.
25. Ghundai, Village Bakka, Khel Wazir, Bannu.

Buner District

26. Ranighat Totalai, Buner.

Dera Ismail Khan District

27. Northern Kafir Kot, ancient fort and temple, Umer Khel, D.I.Khan.
28. Graveryard including four tombs at Lal Mohra Sharif, Lunda Pahar, D.I.Khan
29. Rehman Dheri, Hisam, D.I.Khan.
31. Southern Kafir Kot, ancient fort and temple, Bilot, D.I.Khan.

Kohat District

32. Kohat fort, Kohat.

Mansehra District

33. Tomb of Hazrat Shaheed Ahmad Maujadid Baralvi, Bala Kot, Mansehra.
34. Tomb of Shah Ismail Shaheed, Bala Kot, Mansehra.
35. Fourteen rock edicts of Asoka inscribed on three rock boulders, Mansehra.
36. Buddhist incirbed rock at Shahdaur, Shahdaur Agror, Mansehra.

Mardan District

37. Buddhist ruins, Jamal Garhi, Mardan.
38. Fourteen rock, edicts of Asoka inseribed on two rocks Shahbaz Garhi, Mardan.
39. Stone circle, Asota, Ssawabi Tehsil, Mardan.
40. Buddhist ruins, Takht-e-Bahi, Mardan.
41. Chanaka Dheri, Shahbaz Garhi, Mardan.
42. Sahri Bahlol remains, Sahri Bahlol, Mardan.
43. Tereli Buddhist remains, Sawal Dhera, Marden.
44. Kasmir Samast, Babuzai, Mardan.
45. Ruined fort wall, Hund, Mardan.
46. Maida Ghundai or Maida Dheri, Shahbaz Garhi, Mardan.
47. Hussai Dheri, Shahbaz Garhi, Mardan.
48. Adina Dheri, near Gariala, Mardan.
49. Chargul Dheri, Chargul, 5 miles southwest of Rustam, Mardan.
50. Chichar Dheri, Jamal Garhi, Mardan.
51. Turlandi Ghundai (mound), Chak No. 2, Mardan.
52. Takhta (Takhta Band) Taakhta Band, Tehsile Sawabi, Mardan.

Nowshera District

53. Black Rock, on right bank of Indus River, Modery, Nowshera.

Peshawar District

54. Mirchi-ki-ddheri, Head Bust, Chak Razar, Peshwar.
55. Gorkhatree, Peshawar.
56. Bala Hisar mound, Charsadda, Peshawar.
57. Tomb built by one Shah Qutb during the rein of Mughal Emperor, Akbar, Dilzak, Peshawar.
58. Sheikhan Dheri, Chak Razar, Head Bust, Peshawar.
59. Rattappan mound, 2 miles from Jalbi Village, Peshawar.

60. Ghaz Dheri, Razzar, Peshawar.
61. Hamza Garhi mounds, Hamza Garhi, Peshawar.
62. Dharam Sal-ki--dheri, Mera Prang, Peshawar.
63. Kaniza-ki-dheri, Charsadda, Peshawar.
64. Tomb and mosque of Sheikh Immamuddin, Pilosi Piran, Peshawar.
66. Sethi House Complex, Mohallah, Setian, Peshawar.
67. Barama site, Mingora, Swat.
68. Udegram Castle, Udergarm, Swat.
69. Butkara-I Mingora, Swat.
70. Panr site, Panr, Swat.
71. Loebnr stupa, Loebanr, Swat.
72. Saidu stupa, Saidu Sharif, Swat.
73. Dangram stupa, Dangram, Swat.
74. Gogdara Rock Carvings, Gogdara, Swat.
75. Manglawar stupa, Manglawar, Swat.
76. Shinashah stupa, Batura, Swat.
77. Gullaki Dheri, Kukarai, Swat.
78. Aligrama site, Aligrama, Swat.
79. Najigram site, Nijigram, Swat.
80. Nawagai (Gumbatuna), Nawagai Swat.
81. Amlukdara stupa, Amlukdara Serai, Swat.
82. Shingardara stupa, Amlukdara Serai, Swat.
83. Nimogram site, Village Gumkot, Swat.
84. Barikot Ghundai, ancient Bazira, Barikot, Swat.
85. Ghalegay Cave, Barikot, Swat.
86. Butkara-III, Gulkada Babozai, Swat.

Source: Guidelines for Sensitive and Critical Areas. Government of Pakistan. 1997.

Appendix C

Questions and Answers: Mobile Phone (Cell Phone) Base Stations and Human Health⁶

1) What are mobile phone base stations; and are there health hazards associated with living, working, playing, or going to school near one?

Mobile phone base stations are low-power multi-channel two-way radios. A mobile phone (cell phone) is a low-power, single-channel, two-way radio. When you talk on such a mobile phone, you (and perhaps dozens of other people around you) are talking to a nearby base station. From that base station your phone call goes into the regular land-line phone system.

Because mobile phones and their base stations are two-way radios, they produce radio-frequency (RF) energy (that's how they communicate), and they expose people near them to RF energy. However, because both the phones and the base stations are low power (short range), the RF energy exposure levels from them are generally very low.

The consensus of the scientific community, both in the US and internationally, is that the power from these mobile phone base station antennas is far too low to produce health hazards as long as people are kept away from direct access to the antennas (see Q13 and Q14).

It is critical to be aware of the difference between antennas, the objects that produce RF energy; and towers or masts, the structures that the antennas are placed on. It is the antennas that people need to keep their distance from, not the towers that hold the antennas.

It is also important to be aware that there are many different designs of mobile phone base stations that vary widely in their power, their characteristics, and their potential for exposing people to RF energy.

2) Are scientists seriously concerned about possible health risks from mobile phone base station antennas?

Not really. There are some reasons to be concerned about human health effects from the hand-held mobile (cellular) phones themselves (although it is not certain that any risks to human health actually exist). These concerns exist because the antennas of these phones deliver much of their RF energy to very small volumes of the user's body. Base station antennas do not create such "hot spots" (unless you are standing

⁶ Excerpts from a FAQ: 'Electromagnetic Field and Human Health' by John Moulder, Professor of Radiation Oncology, Medical College of Wisconsin, Milwaukee, Wisconsin, U.S.A. (The entire text of the FAQ can be seen at: <http://www.mcw.edu/gcrc/cop/cell-phone-health-FAQ/toc.html>).

directly in front of one), so the potential safety issues concerning the phones have no real applicability to the base station antennas.

....

13) Are there circumstances where mobile phone base station antennas could fail to meet the safety guidelines?

Yes. There are some circumstances under which an improperly designed (or inadequately secured) mobile phone base station site could fail to meet safety guidelines.

Safety guidelines for uncontrolled (public) exposure could be exceeded if antennas were mounted in such a way that the public could gain access to areas within 8 meters/25 feet (horizontal) of the radiating surface(s) of the antennas themselves. This could arise for antennas mounted on or near the roofs of buildings. For example, Petersen et al found that 2-3 feet (1 meter) from a roof-top antenna radiating 1600 W ERP, the power density was as high as 2 mW/cm-sq (compared to the ANSI/IEEE public exposure standard of 0.57-1.2 mW/cm-sq).

For antennas mounted on towers, it is somewhat difficult to imagine a situation that would not meet the safety guidelines. However, there are reports (principally from outside North America and Europe) of mobile phone base station antennas facing directly at nearby buildings. Whether these antennas would meet FCC, ANSI/IEEE or ICNIRP safety guidelines would depend on the ERP, the exact geometry and the degree of shielding provided by the building.

14) What siting criteria are required to ensure that a mobile phone base station antenna will meet safety guidelines?

While specific recommendations require a detailed knowledge of the site, the antenna, and the mounting structure, some general criteria can be described.

14A) What are some general siting criteria?

1. Antenna sites should be designed so that the public cannot access areas that exceed the 1999 ANSI/IEEE or FCC guidelines for public exposure. As a general rule, the uncontrolled (public) exposure guideline cannot be exceeded more than 8 meters (25 feet) from the radiating surface of the antenna.
2. If there are areas accessible to workers that exceed the 1999 ANSI/IEEE or FCC guidelines for uncontrolled (public) exposure, make sure workers know where the areas are, and what precautions need to be taken when entering these areas. In general, this would be areas less than 8 meters (25 feet) from the radiating surface of the antenna.

3. If there are areas that exceed the 1999 ANSI/IEEE or FCC guidelines for controlled (occupational) exposure, make sure that workers know where these areas are, and that they can (and do) power-down (or shut down) the transmitters when entering these areas. Such areas may not exist; but if they do, they will probably be limited to areas within 3 meters (10 feet) of the antennas.

If there are questions about whether these guidelines are met, compliance should be verified by measurements done after the antennas are activated.

The FCC guidelines require detailed calculations and/or measurement of RF energy for some types of base stations. In June 2003, the FCC proposed some significant changes in these rules.

Problems, when they exist, are generally confined to:

- Antennas placed on the roofs of buildings; particularly where multiple base station antennas for different carriers are mounted on the same building;
- Antennas placed on structures that require access by workers (both for regular maintenance, and for uncommon events such as painting or roofing). Note that the occupation safety standards for RF energy apply only to workers with appropriate RF energy safety training.
- Towers that are placed very close to, and lower than, nearby buildings.

(For the complete text of the FAQ, please see the website:
<http://www.mcw.edu/gcrc/cop/cell-phone-health-FAQ/toc.html>.)

Annex 7: Dispute Resolution Terms and Processes

- (1) USFCo and Applicant shall make every effort to resolve amicably by direct informal negotiation any disagreement or dispute arising between them under or in connection with participation in the RFA Process.
- (2) Neither party to the disagreement or dispute shall commence any appeal, action or arbitration proceedings for at least, twenty-eight (28) days after any unresolved disagreement or dispute has been notified to the Chief Executive Officer of USFCo and a similarly senior officer of the Applicant. These senior officers shall engage in further discussions in an effort to resolve the disagreement or dispute within the 28 day period.
- (3) If the parties have failed to resolve their disagreement or dispute using the processes described in paragraphs (1) and (2), then either party may give notice to the other party of its intention to commence appeal, action or arbitration in accordance with the laws of Pakistan and applicable procedures.

Annex 8: Tentative Time Schedule & Correspondence Contact

1. The timetable for the RFA events, beginning with publication of the pre-auction notice, is set out below.

Tentative Time Schedule – Kalat Lot	
Event	Calendar Date
Publication of Specific Procurement notice	January 18, 2010
Distribution of RFA document	January 18, 2010
Deadline for submission of questions by bidders	February 08, 2010
Answers to questions	February 15, 2010
Deadline for Registration of bidders	February 22, 2010
Deadline for submission of Proposals	April 05, 2010
Opening of the Qualifications & Service Proposal	April 05, 2010
Complete evaluation of Qualifications & Service Proposals and announcement of Qualified Applicants	April 26, 2010
Opening of USF Subsidy Proposal of Qualified Applicants	April 29, 2010
Financial Evaluation & Issue of LOI to the Qualified Applicant with lowest subsidy offer	May 03, 2010
Receipt of Performance Bond	May 10, 2010
Execution of USF Services and Subsidy Agreement and related transaction documents	May 17, 2010

2. The sealed Proposal package shall be delivered to USFCo at the address specified in clause 4 of this Annex no later than 3 pm on Monday 5th April 2010.
3. If the scheduled day of an event falls on a gazetted holiday in Pakistan, the day of the event will be the next working day following the holiday.
4. All correspondence shall be addressed to:

Mr. Syed Asif Kamal,
 GM Projects & Technology, USFCo.
 Fifth Floor, HBL Tower,
 Jinnah Avenue, Blue Area
 Islamabad, Pakistan

Telephone: 051-9212308 & 9212309
 Fax: 051-9214261
 e-mail: asif.kamal@usf.org.pk

....., 2009

Universal Service Fund
Fifth Floor, HBL Tower,
Jinnah Avenue, Islamabad

Sub:

LETTER OF LIEN TO THE EXTENT OF _____ [★¹]

Dear Sirs,

In consideration of you, Universal Service Fund, a company listed under the Companies Ordinance 1984 having its principal office at Fifth Floor, HBL Tower, Jinnah Avenue, Islamabad through its Chief Executive Officer, (hereinafter referred to as “USFCo”), providing/agreeing to provide subsidy to the tune of Rs. _____ to us under USF Services and Subsidy Agreement (SSA) dated _____, and as per Clause 6.02 of the SSA and Rule 26(6) of USF Rules 2006, we, _____ Limited, a company incorporated under the Companies Ordinance 1984 and having its registered office at _____ (hereinafter referred to as the “USF Service Provider”), do hereby create Lien on the assets specified in Schedule-A hereto (the “Property under Lien”) in your favour for the purpose of securing the provision of services in the USF area for a period of ten years from the Effective Date of SSA or repayment of the Subsidy Amount upto an amount of Rs. [★²] (Rupees _____ Only) and other moneys payable under the SSA.

We further, irrevocably and unconditionally, undertake, agree, covenant and confirm as follows:

ARTICLE ONE - LIEN

1.01 Property under Lien

We hereby create lien in favour of USFCo all our moveable and immovable properties mentioned in Schedule A to this Letter and our assets as may hereafter be acquired by us for deployment of the USF Network in the USF Areas, together with the benefits of all rights relating thereto (all such properties and assets herein to be collectively called the “Property under Lien”) as security for provision of the USF Services in the USF Areas in accordance with the SSA, or repayment by us of the USF Subsidy and other moneys payable under the SSA.

1.02 No further lien

The Property under Lien shall be kept and held always distinguishable and as USFCo’s exclusive property specially appropriated to the security and we shall not create any mortgage, charges, lien or encumbrance affecting the same or part with the Property under Lien except with the prior permission in writing of USFCo.

1.03 Right to inspect

We hereby permit USFCo, its agents, nominees and employees from time to time after giving reasonable notice to enter upon, during normal working hours, any premises wherein the Property under Lien or any part thereof may for the time being be and to view/inspect and value the same and take inventories thereof and shall render to USFCo, its agents, nominees and employees all facilities and reasonable assistance as may be required for any of the purposes aforesaid.

¹ Insert Value of USF Subsidy as mentioned in SSA.

² Insert Value of USF Subsidy as mentioned in SSA.

1.04 **Free from distress**

We shall punctually pay all rents, rates, taxes and other outgoing expenditures for the premises wherein the Property under Lien shall be stored and keep the same free from distress.

1.05 **Insurance**

During the validity of the SSA, we shall keep the Property under Lien insured in accordance with Article 7 of the SSA.

1.06 **No change**

We undertake that during the term of the SSA the listed machinery and equipment (as further defined in the USF Services and Subsidy Agreement) shall not be removed, disposed of or impaired in any manner whatsoever, except for repair, maintenance or replacement in the ordinary course of business.

1.07 **Information**

The USF Service Provider shall make and furnish to USFCo all statements and reports of the cost and market value of the Property under Lien and a full description thereof and produce such evidence in support thereof as USFCo may from time to time reasonably require.

ARTICLE TWO - REPRESENTATION AND INDEMNIFICATION

2.01 **Right to enter**

In the event of, we committing a breach of any of the terms and conditions of this letter or of the SSA, USFCo and its officers and agents shall be entitled without notice to us and at our risk and expense and if so required as attorneys for and in our name to enter and remain at any place where the Property under Lien shall be and to take possession or recover and receive the same and/or appoint any officer or officers of USFCo as receiver or receivers of the Property under Lien, confiscate the same, and/or sell by public auction or private contract or otherwise dispose off or deal with all or any part of the Property under Lien and to enforce, release, settle, compromise and deal with any of aforesaid without being bound to exercise any of these powers or being liable for any loss in the exercise thereof, except where such loss is caused by the negligence or misconduct of USFCo or its officers, agents or receivers and without prejudice of USFCo's other rights and remedies including the right of legal action against us and to apply the net proceeds of such sale in or towards the repayment of the USF Subsidy and any other moneys that have become due under the SSA and have not been paid by us and we hereby agree to accept USFCo's account of sales and realization, except in case of any error or omission, and to pay any shortfall or deficiency therein shown. Provided, however, that the powers hereunder shall always be exercised to the extent of the Property under Lien.

2.02 **Clear Title**

We hereby declares that all the Property under Lien is our absolute property, at our sole disposal and free from any prior charges or encumbrance and that we have not done or knowingly suffered or been party or privy to anything whereby we are in any way prevented from creating lien over Property under Lien in the manner aforesaid. We shall do and execute at our cost all such acts and things for further and more particularly ensuring that the rights and remedies regarding the Property under Lien or any part thereof, under this letter, remain fully enforceable for the benefit of USFCo, as may be required by USFCo, and for giving better effect to this letter, we authorize and irrevocably appoint USFCo and/or its officers as attorney or attorneys for and in our name to act on our behalf and to execute or do any acts or things which we ought to execute or do under this letter and generally to use our name in the exercise of the powers hereby conferred.

2.03 Indemnification

- a) We hereby agree and undertake to comply with all provisions of the various laws, orders, regulations, rules and notifications, already promulgated or that may be promulgated hereafter by the Government or any other authority.
- b) Nothing herein contained shall prejudice any of USFCo’s rights or remedies in respect of any present or future security, guarantee, obligation or decree for our any indebtedness or liability.
- c) We shall indemnify and keep USFCo safe, harmless and indemnified against all losses, damages, detriments, harms, claims, liabilities, demands, actions, proceedings, costs, charges and expenses that may reasonably be sustained by or be made against or incurred by USFCo or to which USFCo may become a party hereunder, provided the same have arisen solely and directly from and default or breach of our obligations under the SSA and this Letter.

2.04 Continued security

The security hereunder shall operate as continuing security for all our liabilities notwithstanding any partial performance that may be made from time to time and continue till we shall discharge our obligations under this letter and the SSA in accordance with their respective terms, whereupon this security shall stand discharged.

ARTICLE THREE - GENERAL

3.01 Remedies

Nothing herein contained shall extinguish, derogate from, curtail, prejudice, impair or otherwise affect all or any of USFCo’s rights and remedies under the said SSA or that may otherwise be available to USFCo under any law in respect of the USF Subsidy or the SSA.

3.02 No Waiver

If USFCo does not enforce any of its rights hereunder in the event of breach or non-compliance by us with the terms and conditions herein contained, the inaction or omission of USFCo to take action shall not be treated as waiver or abandonment of any such rights.

3.03 Territorial Jurisdiction

This Letter shall be governed by and construed in accordance with the laws of Pakistan and the Courts at Islamabad shall have exclusive jurisdiction in all matters under this letter.

USF SERVICE PROVIDER

Per: _____
[insert name and title]

SIGNED, SEALED AND DELIVERED)
in the presence of:)

_____))
Witness (1))

_____))
[insert name]

_____))
Witness (2))

_____))
[insert name]

SCHEDULE "A"

(As per list attached and updated from time to time).

USF SERVICE PROVIDER

Per: _____
[insert name and title]

SIGNED, SEALED AND DELIVERED)
in the presence of:)

_____))
Witness (1))

_____))
[insert name]

_____))
Witness (2))

_____))
[insert name]