
CREDIT NUMBER 6548-PK

Project Agreement

(Punjab Human Capital Investment Project)

between

INTERNATIONAL DEVELOPMENT ASSOCIATION

and

PROVINCE OF PUNJAB

PROJECT AGREEMENT

AGREEMENT between INTERNATIONAL DEVELOPMENT ASSOCIATION (“Association”) and the PROVINCE OF PUNJAB (“Project Implementing Entity”) (“Project Agreement”) in connection with the Financing Agreement (“Financing Agreement”) of the Signature Date between the ISLAMIC REPUBLIC OF PAKISTAN (“Recipient) and the Association, concerning Credit No.6548-PK. The Association and the Project Implementing Entity hereby agree as follows:

ARTICLE I — GENERAL CONDITIONS; DEFINITIONS

- 1.01. The General Conditions (as defined in the Appendix to the Financing Agreement) apply to and form part of this Agreement.
- 1.02. Unless the context requires otherwise, the capitalized terms used in this Agreement have the meanings ascribed to them in the Financing Agreement or the General Conditions.

ARTICLE II — PROJECT

- 2.01. The Project Implementing Entity declares its commitment to the objectives of the Project. To this end, the Project Implementing Entity shall carry out the Project in accordance with the provisions of Article V of the General Conditions and the Schedule to this Agreement, and shall provide promptly as needed, the funds, facilities, services and other resources required for the Project.

ARTICLE III — TERMINATION

- 3.01. For purposes of Section 10.05 (c) of the General Conditions, the date on which the provisions of this Agreement shall terminate is twenty (20) years after the Signature Date.

ARTICLE IV — REPRESENTATIVE; ADDRESSES

- 4.01. The Project Implementing Entity’s Representative is its Chairman of the Planning and Development Board.
- 4.02. For purposes of Section 11.01 of the General Conditions:
 - (a) the Association’s address is:

International Development Association
1818 H Street, NW
Washington, DC 20433
United States of America; and

(b) the Association's Electronic Address is:

Telex:	Facsimile:	E-mail:
248423(MCI) or	1-202-477-6391	CMUPakistan@worldbank.org

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

(a) the Project Implementing Entity's address is:

Planning and Development Board
Government of Punjab
Lower Mall Rd., Civil Secretariat,
Lahore, Punjab 54000
Pakistan;

and

(b) the Project Implementing Entity's Electronic Address is:

Facsimile:	E-mail:
+92 42 99214069	chairman@pndpunjab.gov.pk

AGREED as of the later of the two dates written below.

INTERNATIONAL DEVELOPMENT ASSOCIATION

By



Authorized Representative

Name: Patchamuthu Illangovan

Title: Country Director

Date: 14-Apr-2020

PROVINCE OF PUNJAB

By



Authorized Representative

Mr. Imran Sikandar Baloch
Name: _____

Secretary PnD Board Punjab
Title: _____

18-May-2020
Date: _____

SCHEDULE

Execution of the Project

Section I. Implementation Arrangements

A. Institutional Arrangements.

1. The Project Implementing Entity shall vest the overall responsibility for coordinating Project implementation in PSPA, including Project planning and reporting. Notwithstanding the foregoing, the Project Implementing Entity shall ensure that the following Implementing Agencies carry out the day-to-day activities as well as the fiduciary, safeguard, monitoring and evaluation and reporting responsibilities under their Respective Parts of the Project.
2. For purposes of paragraph 1 above, the Project Implementing Entity shall:
 - (a) establish by no later than three (3) months after the Effective Date, and thereafter maintain throughout the period of implementation of the Project, a Project Steering Committee headed by the Chairman of the Planning and Development Board and comprised of, *inter alia*, the Vice Chairman PSPA and representatives not below the rank of the chief executive officer or secretaries from PSPA, SED, PSHD, members of social sectors of Planning and Development Board, two (2) representatives from implementation partners and non-governmental organizations, and the Project director, as further detailed in the Operations Manual; which committee shall be responsible for providing strategic policy guidance for the overall design and implementation of Project activities, including recommending improvements to Project implementation arrangements and/or interdepartmental coordination strategies;
 - (b) establish by no later than three (3) months after the Effective Date, and thereafter maintain throughout the period of implementation of the Project, a Project Coordination Committee headed by the Chief Executive Officer of PSPA and comprised of Project Directors of SED, PSHD and PSPA as further detailed in the Operations Manual; which committee shall report to the Project Steering Committee and be responsible for the interdepartmental coordination and monitoring and evaluation of Project activities and the Implementing Agencies' performance in their implementation of the Respective Parts of the Project, as well as approval of modification of the Operations Manual;
 - (c) maintain within PSPA throughout the period of implementation of PSPA's Respective Parts of the Project, the Project Management and Implementation Unit (the "PSPA-PMIU") staffed with competent personnel in adequate numbers and with qualification, experience and terms of reference satisfactory to the Association, including experts in procurement, financial management, environmental and social issues and monitoring and evaluation, which unit shall be granted the functions, decision-making powers and sufficient resources, as

agreed with the Association, for the carrying out of PSPA's Respective Part of the Project;

- (d) maintain within PSHD throughout the period of implementation of PSHD's Respective Parts of the Project, PHFMC staffed with competent personnel in adequate numbers and with qualification, experience and terms of reference satisfactory to the Association, including specialist in procurement, financial management and environmental issues, which unit shall be granted the functions, decision making-powers and sufficient resources, as agreed with the Association, for the carrying out of PSHD's Respective Parts of the Project; and
- (e) maintain within SED throughout the period of implementation of SED's Respective Parts of the Project, the Project Monitoring and Implementation Unit (the "SED-PMIU") staffed with competent personnel in adequate numbers and with qualification, experience and terms of reference satisfactory to the Association, including specialists in procurement, financial management and monitoring and evaluation, which unit shall be granted the functions, decision making-powers and sufficient resources, agreed with the Association, for the carrying out of SED's Respective Parts of the Project.

3. In furtherance to the provisions of paragraph 1 and 2 above, the Project Implementing Entity shall: (a) select and hire a Project director; and (b) ensure that each Implementing Agency selects and hires, by no later than three (3) months after the Effective Date, and thereafter maintain throughout the implementation of their Respective Parts of the Project, the services of individual full-time procurement, financial management, and monitoring and evaluation specialists (one (1) per Implementing Agency), with experience and qualifications, and under terms of reference, acceptable to the Association.

B. Operations Manual

1. The Project Implementing Entity shall:
 - (a) prepare, approve and adopt an Operations Manual, in a manner and substance satisfactory to the Association, which manual shall include, *inter alia*, (i) the details of the Project activities including results framework and overall budget; (ii) the Project implementation arrangements, including membership and/or composition of the Project Steering Committee, Project Coordination Committee, PMIUs in each Implementing Agency and terms of reference therefor; (iii) the criteria, guidelines and procedures for implementation of the conditional cash transfer program, including targeting of beneficiaries, conditionality requirements and verification protocols therefor, and disbursement of the CCGs; (iv) the criteria, guidelines and procedures for implementation of the social and economic inclusion program, the selection of Eligible Young Parents, the transfer of assets under, or disbursement of, the Livelihood Support Grants, including applicable procurement and financial management requirements; (v) the standard templates for a grant agreement under respective Livelihood Support Grant; (vi) the monitoring and evaluation and reporting requirements for the Project;

- (b) ensure that the Implementing Agencies carry out the Project in accordance with the provision of the Operations Manual; and
 - (c) refrain, from materially and/or substantially amending, revising, waiving, voiding, suspending or abrogating, any provision of the Operations Manual, whether in whole or in part, without the prior written concurrence of the Association.
2. In the event of any inconsistency between the provisions of the Operations Manual and those of the Financing Agreement and/or this Agreement, the provisions of the Financing Agreement and/or this Agreement shall govern.

C. Conditional Cash Grants

1. In carrying out Part 1.2 of the Project, the Project Implementing Entity shall ensure that PSPA selects and enrolls Eligible CCG Beneficiaries and defrays the CCGs in accordance with the provisions of this Agreement and the Operations Manual, and in a manner satisfactory to the Association.
2. Without limitation to the generality of Section I.C.1 above, the Project Implementing Entity, though PSPA, shall ensure that each Eligible CCG Beneficiary receives the CCGs only upon PSPA's verifying and documenting the respective Eligible CCG Beneficiary's compliance with the following conditions/requirements, and such further conditions/requirements as may be set forth in the Operations Manual:
- (a) the Eligible CCG Beneficiary (if a pregnant or lactating woman) or her children who are 2 years or younger has/have: (i) attended regular health checkups; (ii) undergone a skilled birth delivery; (iii) duly registered the child's birth; (iv) attended the growth promotion and immunization campaigns and received all recommended and available vaccines; and (v) participated in counseling and awareness sessions on population welfare, hygiene and feeding practices, and children's cognitive development; and
 - (b) the compliance shall be verified by the authorized personnel at health facilities and recorded in the Project Management Information System.

D. Livelihood Support Grants

1. In carrying out Part 2.1 of the Project, the Project Implementing Entity shall ensure that PSPA selects and enrolls Eligible Young Parents, provide to them the labor market readiness training, provide coaching, and distribute the LSGs or other productive assets in accordance with the provisions of this Agreement and the Operations Manual, and in a manner satisfactory to the Association.
2. Without limitation to the generality of Section I.D.1 above, the Project Implementing Entity, though PSPA, shall ensure that each Eligible Young Parent receives the LSG only upon PSPA's verifying and documenting the respective Eligible Young Parent's completion of the labor market readiness training, and such further conditions/requirements as may be set forth in the Operations Manual:

(a) the Eligible Young Parent has: (i) undergone a livelihood option assessment; and (ii) provided a written commitment for productive use of LSG; and

(b) the assessment results and written commitment will be compiled by the trainer and/or instructor of the labor market readiness training and recorded in the Project Management Information System.

E. Safeguards

1. The Project Implementing Entity shall ensure that the Implementing Agencies:
 - (a) carry out the Respective Parts of the Project in accordance with: (i) the ESMP(s) prepared, and/or to be prepared, pursuant to paragraph 2 of this sub-section, in accordance with the objectives, policies, procedures, time schedules, and other provisions set forth in the ESMF; and (ii) the EHCWMP; and, in all cases, in a manner and in substance satisfactory to the Association (the ESMF, the ESMP(s) and the EHCWMP hereinafter collectively referred to as the “Safeguard Documents”); and
 - (b) refrain from taking any action which would prevent or interfere with the implementation of the Safeguard Documents, including any amendment, suspension, waiver, and/or voidance of any provision of the Safeguard Documents, whether in whole or in part, without the prior written concurrence of the Association.
2. Prior to any Implementing Agency entering into any contract for any civil works under its Respective Parts of the Project, the Project Implementing Entity shall have ensured that such Implementing Agency has:
 - (a) screened the respective activity/ies in accordance with the guidelines, standards and procedures set forth in the ESMF;
 - (b) prepared, when/if required pursuant to such screening, the respective ESMP(s); and
 - (c) unless the Association otherwise agrees, disclosed such ESMP(s) in local language(s) at the relevant Project’s sites.
3. The Project Implementing Entity shall ensure that no activity under the Project shall: (a) in the opinion of the Association, have significant adverse environmental and social impacts that are sensitive, diverse and/or unprecedented; and (b) give rise to Displaced Persons.
4. The Project Implementing Entity shall ensure, prior to any Implementing Agency’s commencing any civil works under their Respective Parts of the Project, such Implementing Agency has: (a) obtained, from the competent governmental authority/ies, all necessary governmental permits and clearances for such civil works; and (b) complied with/fulfilled all pre-construction conditions imposed by the governmental authority/ies under such permit(s) or clearance(s).

5. The Project Implementing Entity shall ensure (through the Implementing Agencies) that each contract for civil works under the Project includes the obligation of the relevant contractor to comply with the relevant Safeguard Documents.
6. The Project Implementing Entity shall ensure that the Implementing Agencies maintain monitoring and evaluation protocols and record keeping procedures acceptable to the Association and adequate to enable the Project Implementing Entity and the Association to supervise and assess, on an on-going basis, the implementation of/compliance with the Safeguards Documents, as well as the achievement of the objectives thereof.
7. In the event of any conflict between the provisions of any of the Safeguard Documents, on the one hand, and the provisions of this Agreement and/or the Financing Agreement, on the other hand, the provisions of this Agreement and the Financing Agreement shall govern.

F. Grievance Redressal Mechanism

The Project Implementing Entity shall ensure all Implementing Agencies establish by not later than three (3) months after the Effective Date, and thereafter maintain throughout the period of Project implementation, their respective grievance redress cell and grievance processing protocols for the handling of any stakeholder complaints arising out of the implementation of the Project, all in a manner and substance satisfactory to the Association.

Section II. Project Monitoring, Reporting and Evaluation

A. Project Reports.

1. The Project Implementing Entity shall monitor and evaluate the progress of the Project and prepare Project Reports in accordance with the provisions of Section 5.08 (b) of the General Conditions and on the basis of the indicators acceptable to the Association. Each such Project Report shall cover the period of one (1) calendar semester, and shall be furnished to the Recipient and the Association by not later than forty-five (45) days after the end of the covered calendar semester.
2. The Project Implementing Entity shall provide to the Recipient and the Association: (a) by not later than four (4) months after the Closing Date, the report referred to in Section 5.08 (c) of the General Conditions; and (b) all such information as the Recipient or the Association shall reasonably request for the purposes of such Section.