

Dr. Kazim Niaz  
 Secretary  
 Ministry of Economic Affairs  
 Islamic Republic of Pakistan  
 Islamabad

Dr. Sohail Anwar Chaudhary  
 Secretary  
 Planning and Development Department  
 Province of Punjab  
 Lahore

Mr. Dr. Niaz and Dr. Chaudhary:

***Re: Pakistan: Punjab Green Development Program  
 Financing Agreement (Credit Number:6247-PK)  
 Amendments to Financing Agreement and Revisions to Program Action Plan***

We refer to the Financing Agreement dated May 29, 2018 (“Financing Agreement”) between the Islamic Republic of Pakistan (“Recipient”) and the International Development Association (“Association”), as amended, and the Program Agreement of the same date between the Association and the Province of Punjab (“Program Implementing Entity”) (“Program Agreement”) for the above-mentioned Program (“Program”). We also refer to your letter dated February 3, 2023, requesting a Program restructuring.

We are pleased to inform you that the Association has agreed to your request and consequently proposes to amend the Financing Agreement and revise the Program Action Plan referred to in the Program Agreement as set forth below:

1. The table under Section IV.A.2 of Schedule 2 to the Financing Agreement is amended to read as follows:

<b><i>“Category (including Disbursement Linked Indicator as applicable)</i></b>	<b><i>Amount of the Financing Allocated (expressed in SDR)</i></b>
(1) DLI 1: Improving EPD’s capacity	19,264,000
(2) DLI 2: Air and water quality monitoring	13,760,000
(3) DLI 3: Disclosure of environmental information and citizen engagement	11,696,000
(4) DLI 4: Sound Management of Plastics	6,880,000
(5) DLI 5: Energy efficiency and solar energy investments in the public institutions	13,760,000
(6) DLI 6: Vehicle compliance with emission standards	17,200,000
(7) DLI 7: Green investments by polluting industries	20,640,000
(8) DLI 8: Mobilization of sustainable green financing	34,400,000
<b><i>Total Amount</i></b>	<b><i>137,600,000</i></b>

2. Schedule 3 to the Financing Agreement is amended to read as set forth in Annex-1 to this amendment letter.
3. Paragraph 54 of the Appendix to the Financing Agreement is amended as follows:  
“54. “Years” means collectively two or more of the Years 1 through 7, as the case may be.”
4. The Appendix to the Financing Agreement is amended to add the following definitions and the numbering shall be adjusted accordingly.  
““Year 6” means FY2024.  
“Year 7” means FY2025.”
5. The Results Framework agreed in furtherance of Section III of Schedule 2 to the Financing Agreement is revised to read as set forth in Annex 2 to this amendment letter.
6. The Program Action Plan agreed in furtherance of Section I.E of the Schedule to the Program Agreement is revised to read as set forth in Annex 3 to this amendment letter.
7. The Verification Protocol agreed in furtherance of Section I.F(b) of the Schedule to the Program Agreement is revised to read as set forth in Annex 4 to this amendment letter.

Except as specifically amended in this amendment letter, all other terms and conditions of the Financing Agreement and the Program Agreement shall remain in full force and effect.

The Association will disclose this amendment letter and related information on these Financing Agreement and Program Agreement in accordance with the World Bank’s Policy and Access to Information. By entering into this amendment letter, the Recipient and the Program Implementing Entity consent to such disclosure of this amendment letter and related information.

Please confirm your agreement to the foregoing on behalf of the Recipient and the Program Implementing Entity by countersigning and dating the form of confirmation set forth below and returning one fully countersigned original of this amendment letter to us and retaining one original for your records. Upon receipt by the Association of the countersigned original of this amendment letter, this amendment letter shall become effective as of the date of the countersignature of this amendment letter.

Your sincerely,  
INTERNATIONAL DEVELOPMENT ASSOCIATION

*Najy Benhassine*

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Najy Benhassine  
Country Director, Pakistan

CONFIRMED AND AGREED:

**ISLAMIC REPUBLIC OF PAKISTAN:**

By:   
Authorized Representative  
Name: Kazim Niaz  
Title: Secretary Ministry of Economic Affairs  
Date: 20-Apr-2023

**PROVINCE OF PUNJAB:**

By:   
Authorized Representative  
Name: Dr. Sajid Mahmood Chauhan  
Title: Secretary, Government of the Punjab, Environment Protection Department  
Date: 27-Apr-2023

**Cc:**

**Government of Pakistan:**

Mr. Muhammad Humair Karim, Additional Secretary, Ministry of Economic Affairs  
Mr. Adil Akbar Khan, Senior Joint Secretary, Ministry of Economic Affairs  
Mr. Azam Khan, Deputy Secretary, Ministry of Economic Affairs

**Government of Punjab:**

Mr. Ali Sarfraz Hussain, Chairman, Planning and Development Board  
Dr. Sajid Mahmood Chauhan, Secretary, Environment Protection Department  
Mr. Mujahid Sherdil, Secretary, Finance Department  
Mr. Usman Ali Khan, Secretary, Transport Department  
Mr. Ehsaan Bhutta, Secretary, Industries Department  
Mr. Waqar ud Din, Project Director, PGDP

**The World Bank:**

Mr. Naveed Kamran Baloch, Executive Director, Pakistan  
Mr. Abdelhak Bedjaoui, Alternate Executive Director, Pakistan

## SCHEDULE 3

## Disbursement Linked Indicators, Disbursement Linked Results and Allocated Amounts

DISBURSEMENT LINKED INDICATORS	DISBURSEMENT-LINKED RESULTS							
	PRIOR RESULTS	RESULTS TO BE ACHIEVED IN FY2019 (YEAR 1)	RESULTS TO BE ACHIEVED IN FY2020 (YEAR 2)	RESULTS TO BE ACHIEVED IN FY2021 (YEAR 3)	RESULTS TO BE ACHIEVED IN FY2022 (YEAR 4)	RESULTS TO BE ACHIEVED IN FY2023 (YEAR 5)	RESULTS TO BE ACHIEVED IN FY2024 (YEAR 6)	RESULTS TO BE ACHIEVED IN FY2025 (YEAR 7)
1. Improving EPD's capacity	#1. (i) EPD has approved a Policy on Controlling Smog*; and (ii) Punjab has approved EPD's restructuring plan*.				#2. The EPA has carried out at least (i) 500 inspections for industrial effluents, and (ii) 100 inspections for stack emissions*		#4. Clean Air Policy and Action Plan with targets notified*	#3. The EPA has carried out at least (i) 2,000 inspections for industrial effluents, and (ii) 250 inspections for stack emissions*
Allocated Amounts  Total SDR 19.264 million	SDR 3.44 million for target (i) above; and SDR 3.44 million for target (ii) above.  Total SDR 6.88 million				SDR 1.376 million upon achievement of 50% of the targeted inspections for both (i) and (ii) and SDR 0.688 million for each additional 10% achieved for both (i) and (ii) up to a maximum of SDR 3.44 million  Total SDR 4.816 million		SDR 2.064  Total SDR 2.064 million	SDR 2.064 million upon achievement of 50% of the targeted inspections for both (i) and (ii) and SDR 0.688 million for each additional 10% achieved for both (i) and (ii) up to a maximum of SDR 3.44 million  Total SDR 5.504 million

2. Air and water quality monitoring						#1. EPA has collected data hourly from at least: 30 air quality monitoring stations*	#1. EPA has collected data hourly from at least: 15 water quality monitoring stations* #2. EPD's Environmental Monitoring Center has become operational*
<i>Allocated Amounts</i>  Total SDR 13.76 million						SDR 3.44 million	SDR 3.44 million for #1(ii)  SDR 6.88 million for #2
3. Disclosure of environmental information and citizen engagement				#1. EPD has adopted regulation on information disclosure and citizen engagement*		#2. EPD has adopted a health advisory system for critical air pollution events targeting vulnerable population groups*  #3. EPD has published the First State of Punjab's Environment report and has carried out related stakeholder consultations*	#4. EPD has published the Second State of Punjab's Environment report and has carried out related stakeholder consultations*

<i>Allocated Amounts</i>  <i>Total SDR 11.696 million</i>				<i>SDR 3.44 million</i>		<i>SDR 3.44 million for target #2 above</i>  <i>SDR 2.064 million for target #3 above.</i>	<i>SDR 2.752 million</i>	
<b>4. Sound Management of Plastics</b>						#1. EPD has adopted (i) a plastics management strategy (ii) a regulation on the production and consumption of single-use plastics*	#2. EPD has carried out province wide public communication campaigns with non-governmental organizations to reduce production and consumption of single-use plastics*	#3. EPD has implemented at least 50% of the initiatives for reducing the production and consumption of single-use plastics set forth in the adopted plastics strategy and regulation*
<i>Allocated Amounts</i>  <i>Total SDR 6.88 million</i>						<i>SDR 0.688 million for target (i) above; and</i>  <i>SDR 1.376 million for target (ii) above.</i>  <i>Total SDR 2.064 million</i>	<i>SDR 0.688 million per round for a maximum of SDR 1.376 million</i>  <i>Total SDR 1.376 million</i>	<i>SDR 3.44 million</i>
<b>5. Energy efficiency and solar energy investments in the public institutions</b>							#1. Punjab has saved and generated a combined of at least 5 GWh through the installation of (a) energy-efficient equipment and (b) solar equipment in public institutions*	#2. Punjab has saved and generated a combined of at least 20GWh through the installation of energy-efficient equipment and solar equipment in public institutions*

<p><i>Allocated Amounts</i></p> <p><b>Total SDR 13.76 million</b></p>							<p><i>SDR 3.44 million upon achievement of target and SDR 0.344 million for each additional 1 GWh saved up to maximum SDR 5.16 million</i></p> <p><i>Total SDR 8.60 million</i></p>	<p><i>SDR 3.44 million upon achievement of target and SDR 0.344 million for each additional 1 GWh saved up to maximum SDR 1.72 million</i></p> <p><i>Total SDR 5.16 million</i></p>
<p><b>6. Vehicle compliance with emission standards</b></p>						<p>#4. Legislation has been notified which includes private motor cars in the expanded vehicle and inspection and certification scheme*</p>	<p>#1. At least 5% of the registered motor vehicles (transport vehicles and motor cars) of Punjab have valid emission certificates under the expanded VICS program*</p> <p>#2. Provincial government signs contract for induction of electric-buses*</p> <p>#5. Provincial private motor vehicle inspection and certification scheme contract signed with service provider(s)*</p>	<p>#3. Pilot electric-bus performance report for the 6 month trial period*</p>
<p><i>Allocated Amount</i></p>						<p><i>SDR 1.72 million</i></p>	<p><i>SDR 3.44 million upon achievement of target and SDR 0.688 million for each</i></p>	<p><i>SDR 3.44 million</i></p>

<b>Total SDR 17.20 million</b>							<p><i>additional one percent, (1%) ratio for # 1 up to maximum SDR 3.44 million</i></p> <p><i>Total SDR 6.88 million for #1</i></p> <p><i>SDR 3.44 million for #2</i></p> <p><i>SDR 1.72 million for #5</i></p>	
<b>7. Green investments by polluting industries</b>						#3. At least 100 micro-enterprises are supported by the Program though loan and or grant to adopt greener practices*	#1. The Program has provided loan and or grant support to SMEs in at least 2 industrial sectors to pilot RECP technologies*	#2. SMEs supported by the Program have invested at least US\$3 million equivalent in adoption of RECP technologies either through own investments or obtaining loan from Government*
<p><i>Allocated Amounts</i></p> <p><b>Total SDR 20.64 million</b></p>						<p><i>(i) SDR 2.752 million for at least 100 micro enterprises supported by the Program; (ii) SDR 0.688 million for another 50 micro-enterprises supported by the Program; and (iii) SDR 0.688 million for another 50 micro-enterprises supported by the Program</i></p>	<p><i>(i) SDR 6.88 million upon PSICs signing of finance agreement with at least 10 SMEs in at least 2 industrial sectors; (ii) SDR 4.128 million upon PSICs signing of finance agreements with at least 6 SMEs in 3 other industrial sectors,</i></p> <p><i>Total SDR 11.008 million</i></p>	<p><i>SDR 2.752 million upon achievement of target and SDR 0.688 million for each additional \$0.5 million equivalent investment in RECP technologies up to maximum SDR 2.752 million</i></p> <p><i>SDR 5.504 million</i></p>



						<i>SDR 4.128 million</i>		
<b>8. Mobilizing sustainable green financing</b>						<p>#1. Punjab has adopted the legal and institutional structure of the EEF*</p> <p>#2. Punjab has capitalized the EEF with at least US\$50 million equivalent*</p>	<p>#3. Punjab has adopted a Green Financing Strategy*</p> <p>#4. The EEF has generated at least US\$5 million in revenue and has committed at least 30% of this revenue to eligible projects*</p>	
<p><i>Allocated Amount</i></p> <p><b>Total SDR 34.4 million</b></p>						<p><i>SDR 3.44 million for #1</i></p> <p><i>SDR 13.76 million upon achievement of target and SDR 3.44 million for each additional endowment deposit of \$10 million equivalent up to a maximum of SDR 6.88 million for # 2</i></p> <p><i>Total SDR 20.64 million # 2</i></p>	<p><i>SDR 3.44 million for #3</i></p> <p><i>SDR 3.44 million upon achievement of both targets (i) and (ii) and SDR 1.032 million for each additional 10% increase in revenue commitments up to maximum SDR 3.44 million for # 4</i></p> <p><i>Total SDR 6.88 million # 4</i></p>	

\* These DLRs are not time-bound. The Years in which they are expected to be achieved as per this Schedule are strictly for indicative purposes. These DLRs can accordingly be met up and until the Closing Date.

## Revised Results framework

**Program Development Objectives(s)**

The Program's development objective is to strengthen environmental governance and promote green investments in Punjab.

**Program Development Objective Indicators by Objectives/ Outcomes**

Indicator Name	DLI	Baseline	End Target
<b>Strengthening Environmental Governance</b>			
1. Average time to obtain Initial Environmental Examination approval of investments with low safeguards risks (Days)	160.00		90.00
2. Stack emission and effluent discharge inspections carried out by EPA (Number)	400.00		2,250.00
3. Disclosure of environmental information and citizen engagement (cumulative number of State of Punjab Environment reports) (Number)	0.00		2.00
<i>Action: This indicator has been Revised</i>			
<b>Promoting Green Investments</b>			
4. Volume of carbon emissions avoided from green investments supported (cumulative tons CO2e) (Metric ton)	0.00		34,000.00
<i>Action: This indicator has been Revised</i>			
5. Volume of new public and private capital leveraged for green investments (US\$, cumulative) (Amount(USD))	0.00		50,000,000.00
<i>Action: This indicator has been Revised</i>			

## Intermediate Results Indicators by Result Areas

Indicator Name	DLI	Baseline	End Target
<b>Strengthening Environmental Governance</b>			
1.1. Socially responsive new or updated law, policies, and regulations (Number)		1.00	6.00
1.2. Socially responsive new or updated environmental standards (Number)		0.00	67.00
2.1. Monitoring stations operational for air quality monitoring (Number)		6.00	30.00
2.2. Monitoring stations operational for water quality monitoring (Number)		0.00	15.00
2.3. Inspection teams at EPA (Number)		12.00	20.00
<i>Action: This indicator has been Revised</i>			
3.1. Annual public consultation events on State of Punjab's Environment report organized in different cities (Number)		0.00	5.00
3.2. Number of nongovernmental institutions participating in annual public consultations on State of Punjab's Environment report (Number)		0.00	10.00
3.3. An interactive EPD platform for public inputs in environmental management (Yes/No)		No	Yes
<b>Promoting Green Investments</b>			
4.1. Energy savings and solar energy generation in public institutions under the Program (cumulative GWh) (Gigawatt-hour (GWh))		0.00	55.00
<i>Action: This indicator has been Revised</i>			
4.2. Proportion of registered motor vehicles with valid emission certificates under the expanded VICS program (Percentage)		0.00	10.00
<i>Action: This indicator has been Revised</i>			
4.3 Number of program-supported eco-friendly buses in circulation (Number)		0.00	15.00

<b>Indicator Name</b>	<b>DLI</b>	<b>Baseline</b>	<b>End Target</b>
<i>Action: This indicator has been Revised</i>			
5.1. Number of industrial firms that received financial support from the Program for green investments (Number)		0.00	300.00
<i>Action: This indicator has been Revised</i>			
Number of green micro-enterprises supported by the Program (Number)		0.00	500.00
<i>Action: This indicator has been Revised</i>			
5.2. Investment in RECP technologies by SMEs supported by the Program (Amount(USD))		0.00	5,000,000.00
5.3. Capitalization of the EEF (Amount(USD))		0.00	50,000,000.00
<i>Action: This indicator has been Revised</i>			

## REVISED PROGRAM ACTION PLAN

Action Description	Source	DLI#	Responsibility	Timing		Completion Measurement	Action
Formal establishment of the Program Steering Committee	Technical		Planning & Development Department	Due Date		01-Oct-2018	The Program Steering Committee was established in October 2018.
Formal establishment and adequate staffing of the Program Coordination Unit	Technical		Planning and Development Department	Due Date	01-Oct-2019	The unit was created after the PSC establishment. New date agreed during the June 2019 mission.	No Change
Formal nomination and adequate staffing of the PDUs in key implementing departments	Technical		Dpt of Energy, Transport, and Finance	Due Date	26-Feb-2020	Three PDUs of the Transport, Energy and Finance Departments are functional as of February 2020.	No Change
Establishment of a social cell within the SPIU	Technical		Environment Protection Department	Due Date	01-Oct-2019	Social and Gender Specialist have joined SPIU	No Change
Development of standard operating procedures (including for chance finds) for land acquisition for green building and low-cost wastewater treatment pilots	Technical		Environment Protection Department (SPIU)	Due Date	30-Jun-2021	Target date updated due to the delayed initiation of the concerned program activities.	Revised
<b>Proposed</b> Development of standard operating procedures (including for chance finds) for land acquisition for green building and low-cost wastewater treatment pilots	Technical		Environment Protection Department (SPIU)	Due Date	30-Jun-2023	Target date updated due to the delayed initiation of the concerned program activities.	

Development of annual implementation plans based on MTRF/ADP allocation consistent with Program RF and DLI requirements	Technical		All implementing agencies	Due Date	30-Oct-2020	Completed at the department level.	No Change
Develop environmental management plans for closed STZ tanner sites	Technical		Tanners, EPD	Due Date	31-Dec-2021	Targeted date updated due to delayed implementation of STZ related activities.	Revised
<b>Proposed</b> Develop environmental management plans for closed STZ tanner sites	Technical		Tanners, EPD	Due Date	31-Jan-2024	Targeted date updated due to delayed implementation of STZ related activities.	
Development, adoption, and implementation of a Program M&E framework	Technical		Environment Protection Department (SPIU)	Due Date	18-May-2022	System in place	No Change
Strengthening of Financial Management system	Technical		Environment Protection Department (SPIU)	Due Date	31-Mar-2021	Delayed due to delayed establishment of SPIU.	Revised
<b>Proposed</b> Strengthening of Financial Management system	Technical		Environment Protection Department (SPIU)	Due Date	31-Mar-2021	System in place.	
Implement an online Procurement Management Information System (PMIS)	Technical		All implementing agencies	Due Date	31-Mar-2021	Delayed due to delayed slow recruitment of SPIU.	Revised
<b>Proposed</b> Implement an online Procurement Management Information System (PMIS)	Technical		All implementing agencies	Due Date	31-Mar-2021	Implementing agencies are now using the Punjab PPRA online portal that works as an online PMIS for the program	

						procurements. This is adequate for disseminating the procurement information.	
Establish Open Data Portal and Regime	Technical		Environment Protection Department (SPIU)	Due Date	31-Mar-2021	Delayed due to delayed recruitment of SPIU.	Revised
<b>Proposed</b> Establish Open Data Portal and Regime	Technical		Environment Protection Department (SPIU)	Due Date	31-Jan-2023	Water, air pollution data available online to the public.	
Prepare Annual Consolidated Procurement Plan with Activity Completion Dates	Fiduciary Systems		All implementing agencies	Recurrent	Yearly	Plans completed by July 15 of each year. At least 75% of planned contracts awarded before December 31 of each year.	Revised
<b>Proposed</b> Prepare Annual Consolidated Procurement Plan with Activity Completion Dates	Fiduciary Systems		All implementing agencies	Recurrent	Yearly	System in place.	
Develop an acceptable transaction structure and service level parameters for the Concession Contract for the provision of eco-friendly bus services	Technical	DLI 6	Transport Department	Due Date	30-Jun-2022	Agreed Terms of Reference for the Concessionaire (the Concession Contract)	Marked for Deletion
Formal nomination and adequate staffing of the PDU in the Industries Department	Technical	DLI 7	Industries Department	Due Date	30-Oct-2020	Formal notification from the Industries Department.	No Change

Revised Verification Protocol Table

<b>DLI 1 - Improving EPD Capacity</b>	<b>DLR 1-1.</b> (i) EPD has approved a smog control policy and (ii) Punjab has approved EPD's Restructuring Plan	<b>Description</b>	Non-scalable/Not time-bound. <ul style="list-style-type: none"> <li>The EPD approved the Policy on Controlling Smog 2017 on October 21, 2017 (Policy No. SO(Tech)EPD/1-1/2016).</li> <li>The EPD's Restructuring Plan is expected to be approved by May 15, 2018.</li> </ul>
		<b>Verification</b>	<ul style="list-style-type: none"> <li>Verified during appraisal with a copy of the Policy on Controlling Smog 2017 (Policy No. SO(Tech)EPD/1-1/2016).</li> <li>GoPunjab will provide a copy of its decision on the approval of the EPD's Restructuring Plan, which will detail EPD's institutional mandates, new organizational structure, staffing plan, responsibilities of key officials, and a time-bounded implementation plan.</li> </ul>
	<b>DLR 1-2.</b> The EPA has carried out at least (i) 500 inspections for industrial effluents, and (ii) 100 inspections for stack emissions (Verification report required)	<b>Description</b>	Scalable/Not time-bound. <ul style="list-style-type: none"> <li>The actual number of inspections carried out will be determined by counting those that have been completed and have final decisions/reports/analyses issued.</li> </ul>
	<b>DLR 1-3.</b> The EPA has carried out at least (i) 2,000 inspections for industrial effluents, and (ii) 250 inspections for stack emissions (Verification report required)	<b>Verification</b>	<ul style="list-style-type: none"> <li><i>Data source:</i> EPD.</li> <li><i>Verification entity:</i> Firm competitively recruited.</li> <li><i>Procedure:</i> EPD to maintain and provide records of inspection. Firm to verify the records and perform on-site sample-based verification.</li> </ul>
	<b>DLR 1-4.</b> Clean Air Policy and Action Plan with targets notified	<b>Description</b>	Non-scalable/Not time-bound. <ul style="list-style-type: none"> <li>The Clean Air Policy should identify timebound policy measures and targets for addressing Punjab air pollution, including Department air pollution responsibilities</li> <li>Evidence of consultations with Government Departments and a relevant consultative forum such as Punjab Environment Protection Council.</li> <li>Document should be approved by the Cabinet.</li> </ul>
		<b>Verification</b>	<ul style="list-style-type: none"> <li><i>Data source:</i> EPD.</li> <li><i>Verification entity:</i> Firm competitively recruited.</li> <li><i>Procedure:</i> EPD to provide evidence of approved and published reports, meeting minutes of consultations</li> </ul>



			and Punjab Cabinet approval. Firm to verify the records.
<b>DLI 2 – Air and Water Quality Monitoring</b>	<b>DLR 2-1 and 2-2.</b> EPA collects hourly data from at least: (i) 30 air quality monitoring stations; and (ii) 15 water quality monitoring stations.	<b>Description</b>	Non-scalable/Not time-bound. <ul style="list-style-type: none"> <li>Data collection shall have taken place in both air and water monitoring stations on at least an hourly basis for a minimum of 180 days in a given year.</li> <li>The data may be provided through EPA equipment or a service provider</li> </ul>
		<b>Verification</b>	<ul style="list-style-type: none"> <li><i>Data source:</i> EPD.</li> <li><i>Verification entity:</i> Firm competitively recruited.</li> <li><i>Procedure:</i> EPD to provide (a) procurement information and details on each air and water quality monitoring station (for example, type, installation date, location), and (b) full database of monitoring data. Firm to verify records and perform on-site verification using sampling and other appropriate techniques.</li> </ul>
	<b>DLR 2-3.</b> EPD’s Environmental Monitoring Center has become operational.	<b>Description</b>	Non-scalable/Not time-bound. <ul style="list-style-type: none"> <li>Operability of the EMC will be deemed achieved upon (a) procurement, installation, and commencement of operation of the reference lab; (b) procurement and installation of about 30 air and 15 water monitoring stations, all of them generating at least hourly data; (c) the procurement and delivery of mobile monitoring equipment and monitoring vehicles; (d) staff and systems in place to support the EMC</li> </ul>
		<b>Verification</b>	<ul style="list-style-type: none"> <li><i>Data source:</i> EPD.</li> <li><i>Verification entity:</i> Firm competitively recruited.</li> <li><i>Procedure:</i> EPD to provide procurement information on fixed and mobile monitoring equipment. Firm to verify records, visit the EMC, confirm staff and systems in place and perform site visits for monitoring stations and other equipment located outside of the EMC.</li> </ul>
<b>DLI 3 – Disclosure of Environmental Information and Citizen Engagement</b>	<b>DLR 3-1.</b> EPD has adopted (i) regulation on information disclosure and citizen engagement, and (ii) health advisory system for critical air pollution events, targeting vulnerable population groups.	<b>Description</b>	Non-scalable/Not time-bound. <ul style="list-style-type: none"> <li>“Adoption of regulation on Information disclosure and citizen engagement” means EPD’s notification of regulation on disclosure of environmental information and citizen engagement requiring (a) preparing and disclosing the State of Punjab’s Environment report in both English and Urdu; (b) publishing air and water quality data through EPD’s website; (c) disclosing key environmental policies and regulation, IEE and EIA reports and their decisions; and (d) mandating public feedback mechanism before the approval of environmental policy, regulations, standard, and EIAs.</li> <li>“Adoption of a health advisory system” means the EPD’s approval of a policy/standing instruction: (a) setting up the methodology defining “critical air pollution events” and “vulnerable groups” (such as children, pregnant women, the elderly, and people with cardiovascular and respiratory diseases); and (b) prescribing the menu of remedial actions to be taken by the Government and health/safety advice to be communicated to the population through multiple media channels in both English and Urdu. Whenever available, findings from the health impact study of pollution on people including vulnerable group (e.g. women and children) shall help refine the design and implementation of the health advisory system.</li> </ul>

		<b>Verification</b>	<ul style="list-style-type: none"> <li>GoPunjab will provide copies of official notifications for the issuance of the regulation and the adoption of the health advisory system.</li> </ul>
	<b>DLR, 3-3, and 3-4.</b> EPD has (i) published the [first/second State of Punjab’s Environment reports and (ii) carried out related stakeholder consultations.	<b>Description</b>	<p>Non-scalable/Not time-bound.</p> <ul style="list-style-type: none"> <li>The State of Punjab’s Environment reports shall cover (a) assessment of air, surface water and groundwater, and soil quality, as extracted from the available monitoring data; (b) assessment of pollution sources that contributed to air, water, and soil pollution, including a summary inventory of pollutants, detailing time and intensity thereof; (c) assessment of environmental performance of wastewater treatment facilities and solid waste management facilities; (d) measures taken to control pollution and improve environmental quality; (e) summary of environmental complaints received, classified by type of environmental issue, as well as actions taken in respect thereof; (f) public feedback on the report and EPD’s responses thereto; and (g) GoPunjab’s environmental action plan for the following calendar years.</li> <li>It is expressly noted that the first such report might not contain such a detailed level of information and analysis as subsequent ones. Secondary data sources may be used if primary sources are unavailable.</li> <li>“Stakeholder consultations” will be deemed satisfactorily “carried out” on completion of at least two rounds of public commenting, one on the proposed content of the report and another on the draft report, through formal hearings and a minimum of 2 weeks online public comment period on the EPD’s website. For public hearings, all concerned GoPunjab departments, chambers of commerce, industrial associations, civil society organizations, the media, and donors shall be invited.</li> </ul>
		<b>Verification</b>	<ul style="list-style-type: none"> <li><i>Data source:</i> EPD.</li> <li><i>Verification entity:</i> Firm competitively recruited.</li> <li><i>Procedure:</i> EPD to provide evidence of invitations and records of public hearings, online posting and commenting, and published reports. Firm to verify the records.</li> </ul>
<b>DLI 4 – Sound Management of Plastics</b>	<b>DLR 4-1.</b> EPD has adopted (i) a plastics management strategy, and (ii) a regulation on the production and consumption of single-use plastics.	<b>Description</b>	<p>Non-scalable/Not time-bound.</p> <ul style="list-style-type: none"> <li>The “plastics management strategy” should be a comprehensive document (a) analyzing different environmental, social, and economic aspects related to the production, use, and disposal of plastics in Punjab; (b) identifying adequate policy measures to reduce plastics consumption and pollution, such as regulations/bans, taxes, communication activities, and promotion of cleaner alternatives; and (c) including an action plan with clear time frame, responsibilities, and allocation of resources for the implementation of these interventions by the end of the Punjab GDP period.</li> <li>The “regulation on the production and consumption of single-use plastics” should contain concrete and enforceable provisions to discourage the production and consumption of single-use plastics.</li> <li>Both documents should be prepared after broad consultations with stakeholders, including plastics producers, retailers, and environmental associations.</li> </ul>

		<b>Verification</b>	<ul style="list-style-type: none"> <li>• <i>Data source:</i> EPD.</li> <li>• <i>Verification entity:</i> Firm competitively recruited.</li> <li>• <i>Procedure:</i> EPD to provide evidence of strategy and regulation adoption; firm to verify.</li> </ul>
	<b>DLR 4-2.</b> EPD has carried out provincewide public communication campaigns with nongovernmental organizations to reduce production and consumption of single-use plastics	<b>Description</b>	Scalable/Not time-bound. <ul style="list-style-type: none"> <li>• “Public communication campaigns” are campaigns that use the media, messaging, and an organized set of communication activities to improve public awareness of the negative environmental and health impacts of single-use plastics during a given period of time.</li> <li>• Not less than 2 rounds of such campaigns shall be organized in a given calendar year, with at least 6 months between two rounds of campaigns.</li> <li>• “Nongovernmental organizations” includes at least industrial associations related to plastics production, chambers of commerce, large retailers, civil society organizations, primary and secondary schools, and the media.</li> </ul>
		<b>Verification</b>	<ul style="list-style-type: none"> <li>• <i>Data source:</i> EPD.</li> <li>• <i>Verification entity:</i> Firm competitively recruited.</li> <li>• <i>Procedure:</i> EPD to provide evidence of campaigns organized in all major cities of the province; firm to verify.</li> </ul>
	<b>DLR 4-3.</b> EPD has implemented at least 50% of the initiatives for reducing the production and consumption of single-use plastics set forth in the adopted plastics strategy and regulation.	<b>Description</b>	Non-scalable/Not time-bound. <ul style="list-style-type: none"> <li>• This DLR will reflect the status of GoPunjab’s implementation of all initiatives included in the plastics strategy and regulation adopted under the Punjab GDP.</li> </ul>
		<b>Verification</b>	<ul style="list-style-type: none"> <li>• <i>Data source:</i> EPD</li> <li>• <i>Verification entity:</i> Firm competitively recruited.</li> <li>• <i>Procedure:</i> EPD to provide evidence of the implementation of initiatives of the strategy and regulation and results; firm to verify</li> </ul>
<b>DLI 5 - Energy Efficiency Investments in the Public Sector</b>	<b>DLR 5-1.</b> Punjab has saved and generated a combined of at least 5 GWh through the installation of (a) energy-efficient equipment and (b) solar equipment in public institutions and 5-	<b>Description</b>	Scalable/Not time-bound. <ul style="list-style-type: none"> <li>• GWh saved shall be calculated as absolute number since Program implementation against the estimated “no-program” consumption.</li> </ul>
		<b>Verification</b>	<ul style="list-style-type: none"> <li>• <i>Data source:</i> PEECA.</li> <li>• <i>Verification entity:</i> Firm competitively recruited.</li> <li>• <i>Procedure:</i> PEECA to maintain records of energy-efficient appliance procurement and installation; the M&amp;E firm hired by PEECA to evaluate energy savings from appliance replacement; firm to verify PEECA records and M&amp;E firm reports, and do on-site checks.</li> </ul>
	<b>DLR 5.2 Punjab</b> has saved and generated a combined of at least 20 GWh through the		

	installation of energy-efficient equipment and solar equipment in public institutions		
<b>DLI 6 - Vehicle Compliance with Emission Standards</b>	<b>DLR 6-1.</b> At least 5% of the registered motor vehicles of Punjab have valid emission certificates under the expanded VICS program.	<b>Description</b>	Scalable/Not time-bound. <ul style="list-style-type: none"> <li>The registered motor vehicles refer to vehicles registered with, and paying token tax to, the Punjab Excise and Taxation Department.</li> <li>The percentage of registered motor vehicles with valid emission certificates under the expanded VICS program will be measured against the number of registered motor vehicles (rolling fleet) in the year of Verification, against the legal requirements for such compliance.</li> </ul>
		<b>Verification</b>	<ul style="list-style-type: none"> <li><i>Data source:</i> Transport Department and VICS concessionaires.</li> <li><i>Verification entity:</i> Firm competitively recruited.</li> <li><i>Procedure:</i> Transport Department, the relevant Authorities, VICS concessionaires to provide current records on motor vehicles paying token taxes, issued with certificates issued by the expanded VICS program. Review compliance requirements against the relevant legislation. Sample survey may be used to verify records and a sample of facilities may be visited and other appropriate survey techniques deployed. Firm to verify.</li> </ul>
	<b>DLR 6-2.</b> Provincial government signs contract for induction of electric-buses	<b>Description</b>	Non-scalable/ Not time-bound. <ul style="list-style-type: none"> <li>Contract signed for induction of electric buses between Government of Punjab and provider of electric buses.</li> </ul>
		<b>Verification</b>	<ul style="list-style-type: none"> <li><i>Data source:</i> Transport Department.</li> <li><i>Verification entity:</i> Firm competitively recruited.</li> <li><i>Procedure:</i> Evidence and provision of signed contract.</li> </ul>
	<b>DLR 6-3.</b> Pilot electric-bus performance report for the 6 month trial period	<b>Description</b>	Non-scalable/ Not time-bound. <ul style="list-style-type: none"> <li>Independently written report which details the key performance findings of the PGDP electric-bus scheme.</li> <li>The report will include a technical description of the implemented scheme, bus specifications, performance against those specifications, operational costs, maintenance requirements and sustainability of the scheme.</li> <li>Firm to verify.</li> </ul>
		<b>Verification</b>	<ul style="list-style-type: none"> <li><i>Data source:</i> Transport Department.</li> <li><i>Verification entity:</i> Firm competitively recruited.</li> <li><i>Procedure:</i> Review of report, site visit to Punjab electric bus depot. Review of record of operations to confirm general report findings on the bus operations.</li> </ul>

	<b>DLR 6-4.</b> Legislation has been notified which includes private motor cars in the expanded vehicle and inspection and certification scheme	<b>Description</b>	Non-scalable/ Not time-bound <ul style="list-style-type: none"> <li>Punjab Government gazette notification of amendment to relevant legislation making provision for inclusion of private motor vehicle emissions testing.</li> </ul>
		<b>Verification</b>	GoPunjab will provide copies of official notifications for the inclusion of private motor vehicle emissions testing under amendment of relevant legislation.
	<b>DLR 6-5.</b> Provincial private motor vehicle inspection and certification scheme contract signed with service provider(s)	<b>Description</b>	Non-scalable/ Not time-bound Punjab Government signed contract with service provider for provincial private motor vehicle inspection and certification scheme
		<b>Verification</b>	<ul style="list-style-type: none"> <li><i>Data source:</i> Transport Department.</li> <li><i>Verification entity:</i> Firm competitively recruited.</li> <li><i>Procedure:</i> Evidence and provision of signed contract</li> </ul>
<b>DLI 7 - Green Investments by Polluting Industries</b>	<b>DLR 7-1.</b> The Program has provided loan and or grant support to SMEs in at least 2 industrial sectors to pilot RECP technologies.	<b>Description</b>	Scalable/ Not time-bound <ul style="list-style-type: none"> <li>(i) \$10 m upon PSICs signing of finance agreements with at least 10 SMEs in at least 2 industrial sectors; (ii) \$6 m upon PSICs signing of finance agreements with at least 6 SMEs in 3 other industrial sectors.</li> <li>Will be achieved upon Bank of Punjab or Punjab Small Industries Corporation (PSIC) signing of loan or grant agreements including for stone crushing, steel smelting, steel rolling, rice husk and tanneries) or other activities as may be accepted by PGDP.</li> <li>The financial agreements may also specify environmental and social requirements for the agreed investment activities.</li> </ul>
		<b>Verification</b>	<ul style="list-style-type: none"> <li><i>Data source:</i> Relevant financial institutions supporting PGDP including Bank of Punjab and Punjab Small Industries Corporation (PSIC)</li> <li><i>Verification entity:</i> Firm competitively recruited.</li> <li><i>Procedure:</i> PGDP selected financial institutions (Bank of Punjab and PSIC) to provide evidence of signed financing arrangements; firm to verify.</li> </ul>
	<b>DLR 7-2.</b> SMEs supported by the Program have invested at least US\$3 million equivalent in adoption of RECP technologies either through own investments or obtaining loan.	<b>Description</b>	Scalable/Not time-bound. <ul style="list-style-type: none"> <li>“RECP technologies” means any investments that improve resource efficiency and cleaner production, and achieve environmental compliance of industrial production.</li> <li>The amounts mobilized shall consider the capital invested and direct financial costs (for example, cost of labor) incurred by SMEs (i.e., private co-financing), netted from any amounts contributed by the Program.</li> </ul>
		<b>Verification</b>	<ul style="list-style-type: none"> <li><i>Data source:</i> Relevant financial institutions supporting PGDP including Bank of Punjab and Punjab Small Industries Corporation (PSIC).</li> <li><i>Verification entity:</i> Firm competitively recruited.</li> <li><i>Procedure:</i> Relevant financial institutions supporting the PGDP to maintain and provide records of RECP investments; firm to verify records and visit sample of beneficiaries to verify investments.</li> </ul>

	<b>DLR 7-3.</b> At least 100 micro-enterprises are supported by the Program through loan and or grant to adopt greener practices.	<b>Description</b>	Scalable/Not time-bound. <ul style="list-style-type: none"> <li>• \$4 m for at least 100 micro enterprises supported by the Program; (ii) \$1 m for another 50 micro-enterprises supported by the Program; and (iii) \$1 m for another 50 micro-enterprises supported by the Program.</li> <li>• Greener practices are as defined by the relevant financial institutions supporting PGDP. Financing support to tractors is specially excluded.</li> <li>• Micro-enterprises generally means small family run businesses or businesses with a small turnover as may be serviced by PSIC.</li> </ul>
		<b>Verification</b>	<ul style="list-style-type: none"> <li>• <i>Data source:</i> Bank of Punjab and or PSIC</li> <li>• <i>Verification entity:</i> Firm competitively recruited.</li> <li>• <i>Procedure:</i> Relevant financial institutions supporting the PGDP to maintain and provide records of loan and or grant support. Firm to verify records and visit sample of beneficiaries.</li> </ul>
<b>DLI 8 - Mobilization of Sustainable Green Financing</b>	<b>DLR 8-1.</b> Punjab has adopted the legal and institutional structure of an Environmental Endowment Fund	<b>Description</b>	Non-scalable/Not time-bound. <ul style="list-style-type: none"> <li>• The adoption of the legal and institutional structure of the EEF requires (a) the enactment/approval of the EEF under the applicable legal framework, (b) the hiring of a professional fund manager or firm or pension fund, (c) the establishment of the fund secretariat to manage the EEF Program, and (d) the approval of an operational manual for the Program.</li> <li>• The applicable legal framework shall provide for (a) the establishment of the EEF, (b) the EEF governance framework, (c) the EEF capitalization, and (d) the determination of EEF funding/revenue sources.</li> <li>• The “establishment” of the EEF secretariat requires the appointment/nomination of at least (a) a secretariat director, (b) an FM specialist, (c) an E&amp;S specialist, (d) an M&amp;E specialist, (e) a communications specialist, and (f) an internal auditor. Project management specialist is advised.</li> <li>• The EEF operations manual shall include (a) selection and terms and responsibilities of the fund’s board and its secretariat staff; (b) terms of reference of secretariat staff; (c) scope of activities to be financed by the fund (for example, small-scale green investments, environmental studies, and citizen engagement activities); (d) eligibility criteria of beneficiaries and selection protocol for the identification of the fund’s green investments; (e) E&amp;S management procedures/standards (including a gender policy); (f) terms and conditions of financial assistance provided by the fund; (g) financial management standards and</li> <li>• procedures for the fund; (h) responsibilities of the professional fund management firm administering the EEF; (i) monitoring and reporting requirements; and (j) fund information disclosure regimes.</li> </ul>
		<b>Verification</b>	<ul style="list-style-type: none"> <li>• <i>Data source:</i> EPD, EEF, Punjab Sustainable Development Fund (PSDF).</li> <li>• <i>Verification entity:</i> Firm competitively recruited.</li> <li>• <i>Procedure:</i> EPD, EEF and or PSDF Secretariat to provide evidence on the adoption of the EEF legal framework, hiring of relevant staff, establishment of fund secretariat, and adoption of fund operations manual; firm to verify.</li> </ul>

	<b>DLR 8-2.</b> Punjab has capitalized the Environmental Endowment Fund with atleast US\$50 million equivalent.	<b>Description</b>	Non-scalable/Not time-bound. <ul style="list-style-type: none"> <li>“Capitalized” means the actual integration/deposit of the fund amounts into a fund account owned by the EEF.</li> </ul>
		<b>Verification</b>	<ul style="list-style-type: none"> <li><i>Data source:</i> FD, EEF Secretariat, relevant firm or entity managing the endowment funds.</li> <li><i>Verification entity:</i> Firm competitively recruited.</li> <li><i>Procedure:</i> Finance Department and EEF Secretariat to provide evidence of EEF capitalization; firm to verify.</li> </ul>
	<b>DLR 8-3.</b> Punjab has adopted a Green Financing Strategy	<b>Description</b>	Non-scalable/Not time-bound. <ul style="list-style-type: none"> <li>Green Financing Strategy report adopted by the Punjab Cabinet.</li> <li>The strategy will spell out the feasible options and approach which Government could take to operationalize various green financing approaches including potentially the implementation of green banking guidelines, support to green SMEs, public private partnerships in environmental infrastructure, green bonds/ establishment and replenishment of the EEF, and innovative green or climate change related fees, levies or taxes.</li> </ul>
		<b>Verification</b>	<ul style="list-style-type: none"> <li><i>Data source:</i> Finance Department.</li> <li><i>Verification entity:</i> Firm competitively recruited.</li> <li><i>Procedure:</i> Finance Department to provide copy of report, evidence of adoption by Punjab Cabinet. <i>Firm to verify</i></li> </ul>
	<b>DLR 8-4.</b> The Environmental Endowment Fund has (i) generated at least US\$5 million equivalent in revenue; and (ii) committed at least 30 percent of this revenue to eligible projects.	<b>Description</b>	Scalable/Not time-bound. <ul style="list-style-type: none"> <li>The revenue generated shall consider all income obtained by the EEF and deposited in the EEF fund account since fund inception (other than the original capital), resulting from EEF investments. “Committed” amounts are amounts of financial assistance granted by EEF with duly signed legal contracts. The overall amounts to be computed for the purpose of determining the commitment level shall only consider the funds disbursed/to be disbursed by the EEF (that is, they shall not include any resources mobilized by the private beneficiary and/or any financial institution co-financing the investment)</li> </ul>
		<b>Verification</b>	<ul style="list-style-type: none"> <li><i>Data source:</i> EEF Secretariat.</li> <li><i>Verification entity:</i> Firm competitively recruited.</li> <li><i>Procedure:</i> EEF Secretariat to provide records on fund investment revenue and commitments; firm to verify.</li> </ul>