

OFFICIAL  
DOCUMENTS

---

---

CREDIT NUMBER 6047-PK

**Project Agreement**

**(Sindh Enhancing Response to Reduce Stunting Project)**

between

**INTERNATIONAL DEVELOPMENT ASSOCIATION**

and

**PROVINCE OF SINDH**

Dated

*JULY 26, 2017*

---

---

## **PROJECT AGREEMENT**

AGREEMENT dated July 26 201~~7~~, entered into between INTERNATIONAL DEVELOPMENT ASSOCIATION ("Association") and the PROVINCE OF SINDH ("Project Implementing Entity") ("Project Agreement") in connection with the Financing Agreement ("Financing Agreement") of same date between the ISLAMIC REPUBLIC OF PAKISTAN ("Recipient") and the Association. 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 Credit Agreement) constitute an integral part of this Agreement.
- 1.02. Unless the context requires otherwise, the capitalized terms used in this Agreement have the meanings ascribed to them in the Credit 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 shall provide, promptly as needed, the funds, facilities, services and other resources required for the Project.
- 2.02. Without limitation upon the provisions of Section 2.01 of this Agreement, and except as the Association and the Project Implementing Entity shall otherwise agree, the Project Implementing Entity shall carry out the Project in accordance with the provisions of the Schedule to this Agreement.

### **ARTICLE III — REPRESENTATIVE; ADDRESSES**

- 3.01. The Project Implementing Entity's Representative is the Secretary of Planning and Development of Sindh.
- 3.02. The Association's Address is:

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

Facsimile:

+1-202-477-6391

3.03. The Project Implementing Entity's Address is:

Planning & Development Department  
Government of Sindh  
Second Floor, Tughlaq House  
Sindh Secretariat  
Karachi, Pakistan

Facsimile:

+922199211922

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

INTERNATIONAL DEVELOPMENT ASSOCIATION

By



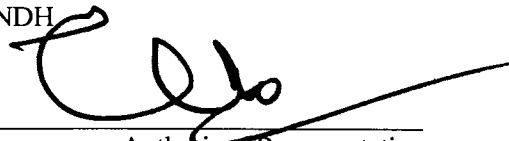
Authorized Representative

Name: Patchamuthu Mangovam

Title: Country Director, Pakistan

PROVINCE OF SINDH

By



Authorized Representative

Name: **DR FAZLULLAH PECHUHO**

Title: **SECRETARY  
HEALTH DEPARTMENT  
GOVT. OF SINDH**

## SCHEDULE

### Execution of the Project

#### Section I. Implementation Arrangements

##### A. Institutional Arrangements

1. The Project Implementing Entity shall:
  - (a) maintain, at all times during Project implementation, the Provincial Task Force Secretariat for the AAP, with functions and responsibilities acceptable to the Association, including, *inter alia*, the responsibility of said team to coordinate and monitor the implementation of the Project, including: (i) monitoring Project performance, including overseeing and coordinating data collection for the Project's result indicators; (ii) monitoring the activities under each DLI (iii) furnishing to the Association evidence of the achievement of the DLIs and DLRs; (iv) monitoring of prioritized packages or multi-sectoral interventions; (v) validating data provided by implementing agencies (where applicable and when necessary); and (v) conducting Project midterm and completion reviews, all in a manner satisfactory to the Association;
  - (b) ensure that, at all times during Project implementation, the Secretariat is headed by the Nutrition Coordinator, and adequately staffed with professional and administrative staff (including, procurement, financial management, communication, monitoring and evaluation, safeguards; and Project related technical staff), with the necessary experience and qualifications acceptable to Association, and operating under terms of reference agreed to between the Recipient and the Association;
  - (c) maintain, at all times during Project implementation, a provincial steering committee, headed by the Chairman Planning and Development Board Sindh, and comprised of representatives from, *inter alia*, the secretaries of all relevant and participating departments, including the Secretariat; which committee shall meet twice a year and shall be assigned with functions and responsibilities satisfactory to the Association, as shall be required for the overall strategic policy guidance and planning, oversight, including, overall coordination among related sectors and stakeholders and support and review of implementation of progress and performance Project activities; and
  - (d) maintain, at all times during Project implementation, a dedicated district coordinator assigned with functions and responsibilities satisfactory to the

Association, who will be responsible of overall Project coordination, communication and monitoring and evaluation at the district level.

**B. Project Documents**

1. The Project Implementing Entity shall, by no later than the earlier of the date which is two (2) months after the Effective Date or the first date on which a Verification Protocol is proposed to be undertaken, prepare and thereafter maintain at all times during Project implementation, a Project Operations Manual, in form and substance and by a date satisfactory to the Association, setting forth detailed institutional arrangements for implementation of the Project at the provincial and district levels, including: (i) DLI(s)/DLR(s) Verification Protocols; (ii) monitoring and evaluations arrangements (including data collection requirements, and reporting frequency); and (iv) financial management procedures (fund flow) and protocols for the carrying out of internal audits, the preparation of financial statements, and withdrawal, accounting of Credit funds and settlement of payments.
2. The Project Implementing Entity shall:
  - (a) implement the Project in accordance with the Project Operations Manual; provided; however, that in the event of conflict between the provisions of said manual, on the one hand, and those of this Agreement or the Financing Agreement, on the other hand, the provisions of the latter shall govern; and
  - (b) refrain from amending, suspending, waiving, and/or voiding any provision of the Project Operations Manual, whether in whole or in part, without the prior written agreement of the Association.

**C. Anti-Corruption**

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

**D. Verifications**

The Project Implementing Entity shall undertake a verification process, in accordance with the Verification Protocols and terms of reference agreed with the Association, to certify the fulfillment of each DLR set out in Schedule 4 to the Credit Agreement; and furnish to the Association corresponding verification reports, in form and substance satisfactory to the Association.

**E. Safeguards**

1. The Project Implementing Entity shall:
  - (a) ensure that the Project is carried out in accordance with the Safeguards Instruments, in a manner and substance satisfactory to the Association; and
  - (b) refrain from amending, suspending, waiving, abrogating, and/or voiding any provision of the Safeguards Instruments, in whole or in part, without the prior written agreement of the Association.
  
2. The Project Implementing Entity shall:
  - (a) take all necessary actions to avoid or otherwise minimize to the extent possible, and to mitigate, any involuntary loss by persons of shelter, productive assets or access to productive assets or income or means of livelihood, temporarily or permanently, and the displacement of said people in the carrying out of the Project or any part thereof; and
  - (b) whenever a new or revised RAP or ESMP or any additional or revised Safeguards Instrument is required for any proposed activity under the Project in accordance with the provisions of the RPF and ESMF, respectively:
    - (i) prior to the commencement of such activity, proceed to have such ESMP or RAP (as the case may be): (i) prepared in accordance with the provisions of the ESMF and the RPF, respectively; (ii) furnished to the Association for review and approval; and (iii) thereafter adopted and disclosed as approved by the Association, in a manner acceptable to the Association;
    - (ii) thereafter take such measures as shall be necessary or appropriate to ensure compliance with the requirements of such ESMP or RAP (as the case may be); and
    - (iii) in the case of any activity involving Displaced Persons, ensure that no displacement shall occur before the necessary measures consistent with the RAP have been executed, including full payment to Displaced Persons of compensation and other assistance required for relocation prior to displacement of persons or commencement of works or other related Project activities in a manner satisfactory to the Association.

3. The Project Implementing Entity shall ensure that each contract for civil works under the Project include the obligation of the relevant contractor to comply with the relevant Safeguard Instrument applicable to such civil works commissioned/awarded pursuant to said contract.
4. The Project Implementing Entity shall maintain throughout Project implementation, a Project grievance redress mechanism, with staffing and operating procedures acceptable to the Association, for monitoring and addressing the concerns of people affected by the Project and building public and stakeholder support for the Project.
5. The Project Implementing Entity shall maintain policies and procedures adequate to enable it to monitor and evaluate, in accordance with guidelines acceptable to the Association, the implementation of the Safeguards Instruments. Without limiting its other reporting obligations under this Agreement, the Recipient shall take all necessary measures to collect, compile and submit to the Association, as part of the Project Reports, information on the status of compliance with the Safeguards Instruments, giving details of:
  - (a) measures taken in furtherance of the Safeguards Instruments;
  - (b) conditions, if any, which interfere or threaten to interfere with the smooth implementation of the Safeguards Instruments, particularly those related to the relevant ESMP or RAP; and
  - (c) remedial measures taken or required to be taken immediately to address such conditions.
6. In the event of any inconsistency between the provisions of any of the Safeguards Instruments and the provisions of this Agreement, the provisions of this Agreement shall prevail.

**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 the Project in accordance with the provisions of Section 4.08 of the General Conditions and on the basis of indicators acceptable to the Association. Each such Project Report shall cover the period of one calendar semester, and shall be furnished to the Recipient not later than forty-five (45) days after the end of the period covered by such report for incorporation and forwarding by the Recipient to the Association of the overall Project Report.

2. The Project Implementing Entity shall provide to the Recipient not later than three (3) months after the Closing Date, for incorporation in the report referred to in Section 4.08 (c) of the General Conditions all such information as the Recipient or the Association shall reasonably request for the purposes of that Section.

**B. Financial Management, Financial Reports and Audits**

1. The Project Implementing Entity shall maintain a financial management system and prepare financial statements in accordance with consistently applied accounting standards acceptable to the Association, both in a manner adequate to reflect the operations and financial condition of the Project Implementing Entity, including the operations, resources and expenditures related to the Project.
2. Without limitation on the provisions of Part A of this Section, the Project Implementing Entity shall prepare and furnish to the Association not later than forty-five (45) days after the end of each calendar semester, interim unaudited financial reports for the Project covering the respective semester, in form and substance satisfactory to the Association.
3. The Project Implementing Entity shall have its financial statements referred to above audited by independent auditors acceptable to the Association, in accordance with consistently applied auditing standards acceptable to the Association. Each audit of these financial statements shall cover the period of one fiscal year of the Borrower. The Project Implementing Entity shall ensure that the audited financial statements for each period shall be: (a) furnished to the Recipient and the Association not later than nine (9) months after the end of the period; and (b) made publicly available in a timely fashion and in a manner acceptable to the Association.

**Section III. Procurement**

All goods, works, non-consulting services and consulting services required for Part 2 of the Project and to be financed out of the proceeds of the Financing shall be procured in accordance with the requirements set forth or referred to in the Procurement Regulations and the provisions of the Procurement Plan.