
KP/FATA/Balochistan MDTF
Grant Number TF0A7171

**KP/FATA/Balochistan Multi-Donor
Trust Fund
Grant Agreement**

(Digital Jobs in Khyber Pakhtunkhwa Project)

between

ISLAMIC REPUBLIC OF PAKISTAN

and

**INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT
INTERNATIONAL DEVELOPMENT ASSOCIATION
acting as administrator of the KP/FATA/Balochistan
Multi-Donor Trust Fund**

**KP/FATA/BALOCHISTAN MULTI-DONOR TRUST FUND
GRANT AGREEMENT**

AGREEMENT between the ISLAMIC REPUBLIC OF PAKISTAN (“Recipient”); and INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT AND INTERNATIONAL DEVELOPMENT ASSOCIATION (“World Bank”), acting as administrator of the KP/FATA/Balochistan Multi-Donor Trust Fund.

The Recipient and the World Bank hereby agree as follows:

**Article I
Standard Conditions; Definitions**

- 1.01. The Standard Conditions 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 Standard Conditions or in this Agreement.

**Article II
The Project**

- 2.01. The Recipient declares its commitment to the objectives of the project described in Schedule 1 to this Agreement (“Project”). To this end, the Recipient shall cause the Project to be carried out by the Province of Khyber Pakhtunkhwa (“Project Implementing Entity”) in accordance with the provisions of Article II of the Standard Conditions and the agreement dated the same date as this Agreement between the World Bank and the Project Implementing Entity, as such agreement may be amended from time to time (“Project Agreement”).
- 2.02. Without limitation upon the provisions of Section 2.01 of this Agreement, and except as the Recipient and the World Bank shall otherwise agree, the Recipient shall ensure that the Project is carried out in accordance with the provisions of Schedule 2 to this Agreement.

Article III
The Grant

- 3.01. The World Bank agrees to extend to the Recipient, on the terms and conditions set forth or referred to in this Agreement, a grant in an amount not to exceed two million United States Dollars (USD 2,000,000) (“Grant”) to assist in financing the Project.
- 3.02. The Recipient may withdraw the proceeds of the Grant in accordance with Section IV of Schedule 2 to this Agreement.
- 3.03. The Grant is funded out of the abovementioned trust fund for which the World Bank receives periodic contributions from the donors to the trust fund. In accordance with Section 3.02 of the Standard Conditions, the World Bank’s payment obligations in connection with this Agreement are limited to the amount of funds made available to it by the donors under the abovementioned trust fund, and the Recipient’s right to withdraw the Grant proceeds is subject to the availability of such funds.

Article IV
Remedies of the World Bank

- 4.01. The Additional Event of Suspension consists of the following, namely that the KPITB’s Legislation has been amended, suspended, abrogated, repealed or waived so as to affect materially and adversely the ability of KPITB to perform any of its obligations under the Project Agreement.

Article V
Recipient’s Representative; Addresses

- 5.01. The Recipient’s Representative referred to in Section 7.02 of the Standard Conditions is its Secretary, Additional Secretary, Joint Secretary, or Deputy Secretary or Section Officer of the Economic Affairs Division of its Federal Government.
- 5.02. The Recipient’s Address referred to in Section 7.01 of the Standard Conditions is:

The Secretary to the Government of Pakistan
Economic Affairs Division
Islamabad
Islamic Republic of Pakistan

Facsimile:

92-51-9202417

5.03. The World Bank's Address referred to in Section 7.01 of the Standard Conditions is:

International Bank for Reconstruction and Development
International Development Association
1818 H Street, N.W.
Washington, D.C. 20433
United States of America

Telex: Facsimile:

248423 (MCI) or 1-202-477-6391
64145 (MCI)

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

ISLAMIC REPUBLIC OF PAKISTAN

By



Authorized Representative

Name: Syed Ghazanfar Abbas Jilani

Title: Secretary

Date: 17-Oct-2018

INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT
INTERNATIONAL DEVELOPMENT ASSOCIATION
acting as administrator of the KP/FATA/Balochistan
Multi-Donor Trust Fund

By



Authorized Representative

Name: Patchamuthu Illangovan

Title: Country Director

Date: 25-Sep-2018

SCHEDULE 1

Project Description

The objective of the Project is to promote inclusion of women and youth in the digital economy.

The Project consists of the following parts:

Part 1: Digital Jobs through Outsourcing

- 1.1. *Business Process Outsourcing (BPO) Ready Spaces:* Establishing online outsourcing and BPO ready spaces equipped with computers and relevant IT equipment to attract international and national BPO companies, thereby creating digital jobs for women and youth, including disadvantaged youth.
- 1.2. *Platform Partnership:* Financing a service contract with a select international platform company focusing on online outsourcing, with the aim of incentivizing companies to set up a presence in KP, thereby making more digital job opportunities available to the local population, including the financing of platform access fees, the cost of training new workers, partial costs for re-training or enhancing the skills of the existing workforce, and partial costs for marketing expenditures to secure a dedicated workflow.
- 1.3. *Marketing KP as an Outsourcing Destination:* Carrying out a program of activities to promote KP as an outsourcing destination, including investment roadshows targeting potential outsourcing and offshoring markets both nationally and internationally to attract investments.

Part 2: Supporting Women's Empowerment and Inclusion in the Digital Economy

- 2.1. *Gender Program under YEP:* Carrying out a program of outreach activities to recruit women and girls into digital skills training programs, including the modification and preparation of appropriate training modules to ensure inclusion of women, recruitment of a cadre of master trainers trained in addressing online gender harassment and privacy and security issues; and supporting female-only training activities, as necessary.
- 2.2. *Gender Inclusive Public Spaces:* Carrying out a program of activities, including:
(a) the hiring of staff to perform outreach activities, act as facility and community managers, and serve as program liaison and as a resource for female digital workers in support of the on-going design and operation of the co-working spaces (*Durshals*); and (b) facilitating partnerships with select facilities to serve as complementary work spaces equipped with computers and internet access.

Part 3: Project Management

- 3.1. Provision of technical and operational assistance for the day-to-day management of Project activities including advocacy, procurement, fiscal management, environmental and social safeguards arrangements, and Project monitoring and evaluation, including the financing of Operating Costs related to Project implementation.

SCHEDULE 2

Project Execution

Section I. Institutional and Other Arrangements

A. On-Granting Arrangements

1. To facilitate the carrying out of the Project, the Recipient shall make the proceeds of the Grant available to the Project Implementing Entity under the same terms and conditions as shall have been made available by the World Bank to the Recipient and in accordance with the Recipient's on-granting and budgetary policies and procedures.
2. Notwithstanding the provisions of the preceding paragraph immediately above, in the event of a conflict between the on-granting and budgetary policies and procedures of the Recipient and the provisions of this Agreement, including such additional instructions as the World Bank shall have specified by notice to the Recipient pursuant to Section IV.A.1 of this Schedule, the provisions of this Agreement, including said additional instructions, shall govern.
3. The Recipient shall exercise its rights under the on-granting arrangements referred to in paragraph 1 of this Part A in such manner as to protect the interests of the Recipient and the World Bank and to accomplish the purposes of the Grant.

B. Anti-Corruption

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

C. Donor Visibility and Visit

1. The Recipient shall take or cause to be taken all such measures as the World Bank may reasonably request to identify publicly the Donors' support for the Project.
2. For the purposes of Section 2.09 of the Standard Conditions, the Recipient shall, upon the World Bank's request, enable the representatives of the Donor(s) to visit any part of the Recipient's territory for purposes related to the Project.

Section II. Project Monitoring, Reporting and Evaluation

A. Documents; Records

1. In addition and without limitation to the obligations set forth in Section 2.05 of the Standard Conditions, the Recipient shall cause the Project Implementing Entity to ensure that:

- (a) all records evidencing expenditures under the Project are retained for seven (7) years and six (6) months after the Closing Date, such records to include: (i) this Agreement, all addenda thereof, and any amendments thereto; (ii) the Recipient's financial and narrative progress reports submitted to the World Bank; (iii) the Recipient's financial information related to the Grant, including audit reports, invoices and payroll records; (iv) the Recipient's implementation documentation (including sub-agreements, procurement files, contracts, purchase orders); and (v) the corresponding supporting evidence referred to in Section 3.04 of the Standard Conditions; and
- (b) the representatives of the World Bank are: (i) able to examine all records referred to above in paragraph (a); (ii) provided all such information concerning such records as they may from time to time reasonably request; and (iii) able to disclose such records and information to the Donor(s).

B. Project Reports; Completion Report

- 1. The Recipient shall cause the Project Implementing Entity to monitor and evaluate the progress of the Project and prepare Project Reports in accordance with the provisions of Section 2.06 of the Standard Conditions and on the basis of the indicators set forth in the Results Framework. Each Project Report shall cover the period of one (1) calendar semester, and shall be furnished to the World Bank not later than forty-five (45) days after the end of the period covered by such report.
- 2. The Recipient shall cause the Project Implementing Entity to prepare the Completion Report in accordance with the provisions of Section 2.06 of the Standard Conditions. The Completion Report shall be furnished to the World Bank not later than six (6) months after the Closing Date.

C. Financial Management; Financial Reports; Audits

- 1. The Recipient shall cause the Project Implementing Entity to ensure that a financial management system is maintained in accordance with the provisions of Section 2.07 of the Standard Conditions.
- 2. The Recipient shall cause the Project Implementing Entity to ensure that interim unaudited financial reports for the Project are prepared and furnished to the World Bank not later than forty-five (45) days after the end of each calendar semester, covering the semester, in form and substance satisfactory to the World Bank.
- 3. The Recipient shall cause the Project Implementing Entity to have the Financial Statements for the Project audited in accordance with the provisions of Section 2.07 (b) of the Standard Conditions. Each such audit of the Financial Statements

shall cover the period of one (1) fiscal year of the Recipient and the Project Implementing Entity. The audited Financial Statements for each such period shall be furnished to the World Bank not later than six (6) months after the end of such period.

Section III. Procurement

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

Section IV. Withdrawal of Grant Proceeds

A. General

1. The Recipient may withdraw the proceeds of the Grant in accordance with the provisions of: (a) Article III of the Standard Conditions; (b) this Section; and (c) such additional instructions as the World Bank may specify by notice to the Recipient (including the "Disbursement Guidelines for Investment Project Financing" dated February 2017, as revised from time to time by the World Bank and as made applicable to this Agreement pursuant to such instructions), to finance 100% of Eligible Expenditures consisting of goods, non-consulting services, consulting services, Training and Workshops and Operating Costs, all inclusive of Taxes.

B. Withdrawal Conditions; Withdrawal Period

1. Notwithstanding the provisions of Part A of this Section no withdrawal shall be made for payments made prior to the countersignature date of this Agreement.
2. The Closing Date referred to in Section 3.06 (c) of the Standard Conditions is June 30, 2020.

APPENDIX

DEFINITIONS

1. “Anti-Corruption Guidelines” means the “Guidelines on Preventing and Combating Fraud and Corruption in Projects Financed by IBRD Loans and IDA Credits and Grants”, dated October 15, 2006 and revised in January 2011 and as of July 1, 2016.
2. “IT” means Information Technology.
3. “KP” means the Province of Khyber Pakhtunkhwa.
4. “Khyber Pakhtunkhwa Information Technology Board” or “KPITB” means the public sector autonomous organization established under an Act of the Khyber Pakhtunkhwa Assembly in May 2011 for the promotion of IT, IT enabled services and IT enabled education for private sector of Khyber Pakhtunkhwa.
5. “KPITB Legislation” means Khyber Pakhtunkhwa Establishment of Information Technology Board Bill, 2011 having been passed by the Provincial Assembly of Khyber Pakhtunkhwa on May 2, 2011 and assented to by the Governor of the Khyber Pakhtunkhwa on May 10, 2011 and published as an Act of the Provincial Legislature of the Khyber Pakhtunkhwa.
6. “Operating Costs” means the reasonable incremental expenditures incurred on account of the Project, including leasing and/or routine repair and maintenance of vehicles, equipment, facilities and office premises, fuel, office supplies, utilities, consumables, communication expenses (including postage, telephone and internet costs), transportation, translation, printing and photocopying expenses, bank charges, publications and advertising expenses, insurance, Project-related meeting expenses, Project-related travel, subsistence and lodging expenses, as may be approved by the World Bank, but excluding salaries of staff of the Recipient or civil servants of the Recipient.
7. “Procurement Plan” means the Recipient’s procurement plan for the Project, dated February 27, 2018 provided for under Section IV of the Procurement Regulations, as the same may be updated from time to time in agreement with the World Bank.
8. “Project Implementation Unit” means the Project Implementing Entity’s unit to be established within KPITB and thereafter to be maintained for the purpose of the Project, in accordance with the provisions of Section I.A of the Schedule to the Project Agreement.
9. “Procurement Regulations” means the “World Bank Procurement Regulations for IPF Borrowers”, dated July 2016.

10. “Results Framework” means the Recipient’s framework, dated March 5, 2018, and agreed with the World Bank, setting forth the indicators and targets for purposes of monitoring and evaluation of the progress of the Project, as the same may be modified from time to time with the prior written agreement of the World Bank, and such term includes any annexes, appendices, or schedules to such framework.
11. “Standard Conditions” means the Standard Conditions for Grants Made by the World Bank Out of Various Funds, dated February 15, 2012.
12. “Training and Workshops” means the reasonable costs of goods and services required for the participation of personnel involved in training activities and workshops under the Project, including travel and subsistence costs for training or workshop participants, costs associated with securing the services of trainers, rental of training and workshop facilities, preparation and reproduction of training and workshop materials, and other costs directly related to training course or workshop preparation and implementation, but excluding consultants’ fees.
13. “Youth Employment Program” or ‘YEP” means the Recipient’s comprehensive digital skills program that focuses on equipping youth with relevant and in-demand digital skills for the global digital economy.