
**KP/FATA/BALUCHISTAN MDTF
GRANT NUMBER TF0B3385-PK**

**KP/FATA/Balochistan Multi-Donor
Trust Fund
Project Agreement
(Amended and Restated
Project Agreement)**

(Governance and Policy Project for Khyber Pakhtunkhwa)

between

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

and

PROVINCE OF KHYBER PAKHTUNKHWA

**KP / FATA / BALOCHISTAN MDTF
GRANT NUMBER TF0B3385-PK**

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

AGREEMENT between INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT AND INTERNATIONAL DEVELOPMENT ASSOCIATION (collectively, “World Bank”) and the PROVINCE OF KHYBER PAKHTUNKHWA (“Project Implementing Entity”) (“Project Agreement”) in connection with the Grant Agreement (“Grant Agreement”) of the Signature Date between the ISLAMIC REPUBLIC OF PAKISTAN (“Recipient”) and the Bank, concerning Grant No. TF0B3385-PK.

WHEREAS the World Bank and the Project Implementing Entity entered into a project agreement on May 9, 2017 (“Original Project Agreement”) for the implementation of the project described in Schedule 1 to the original grant agreement dated May 23, 2017 (“Original Grant Agreement”) (“Project”).

WHEREAS the Project Implementing Entity and the Recipient have requested the World Bank to provide additional financing in the amount of eight million United States Dollars (\$8,000,000) and to restructure the Project in letters dated December 31, 2018 and January 4, 2019, respectively.

WHEREAS the World Bank has agreed, on the basis, *inter alia*, of the foregoing to amend and restate the Original Project Agreement upon the terms and conditions set forth in this Agreement; the Original Grant Agreement will be amended and restated by separate legal agreement to be entered into between the World Bank and the Recipient.

NOW THEREFORE the World Bank and the Project Implementing Entity hereby agree to amend and restate the Original Project Agreement as follows:

ARTICLE I — STANDARD CONDITIONS; DEFINITIONS

- 1.01. The Standard Conditions (as defined in the Appendix to the Grant 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 Grant Agreement or the Standard 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 II of the Standard 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 — REPRESENTATIVE; ADDRESSES

- 3.01. The Project Implementing Entity’s Representative is its Additional Chief Secretary, Planning and Development Department.
- 3.02. For purposes of Section 7.01 of the Standard Conditions: (a) the World Bank’s address is:

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

(b) the World Bank’s Electronic Address is:

Telex:	Facsimile:	E-mail:
248423(MCI) or 64145(MCI)	1-202-477-6391	CMUPakistan@worldbank.org

- 3.03. For purposes of Section 7.01 of the Standard Conditions: (a) the Project Implementing Entity’s address is:

Additional Chief Secretary,
Civil Secretariat
Peshawar
Khyber-Pakhtunkhwa
Pakistan; and

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

Facsimile:	E-mail:
92-91-921-0434	chief.foreignaid@gmail.com

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

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

By



Authorized Representative

Patchamuth Illangovan

Name: _____

Country Director

Title: _____

14-Jul-2020

Date: _____

PROVINCE OF KHYBER PAKHTUNKHWA

By



Authorized Representative

Nauman Afzal Afridi

Name: _____

Chief Economist

Title: _____

15-Jul-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 the implementation of Project activities in its Planning and Development Department and Finance Department. To this end, the Project Implementing Entity shall:
 - (a) maintain throughout the period of implementation of the Project, a Project Steering Committee, headed by the Additional Chief Secretary of the P&DD with the participation of representatives of the Project Implementing Entity's FD, KPRA, KPPRA, and other selected Line Departments, with composition and terms of reference satisfactory to the World Bank. The PSC shall be responsible for providing oversight of the Project activities, including periodic review of Project activities, identifying problems and corrective measures, providing policy guidance, and coordinating inter-departmental efforts, in the implementation of the Project. The PSC shall meet at least twice every fiscal year; and
 - (b) maintain throughout the period of implementation an Operations Support Unit, which is headed by an OSU Coordinator reporting to the Director General of the Post-Crisis Needs Assessment Unit and comprised of the following specialists: gender/learning specialist, procurement specialist, financial management specialist, communications specialist, information communications technology specialist, governance specialist, and a monitoring and evaluation specialist, all with terms of reference satisfactory to the World Bank. The OSU shall be responsible for, among other things, procurement and contract management, financial management, internal audit, monitoring and evaluation, strategic communications, information and communication technology, and organization and coordination of learning and gender promotion activities.
2. The Project Implementing Entity shall, by no later than September 30, 2020, update the Project Operation Manual and Financial Management Manual, in form and substance satisfactory to the World Bank, and adopt the updated Project Operations Manual and Financial Management Manual for use by the OSU, FD and P&DD.
3. The Project Implementing Entity shall maintain throughout the implementation of the Project (a) a grievance redress mechanism with guidelines and procedures

satisfactory to the World Bank; and (b) a grievance redress committee with composition and terms of reference satisfactory to the World Bank.

B. Project Documents

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 Grant Agreement, on the other hand, the provisions of the latter shall govern; and
- (b) not amend, suspend, waive, and/or void any provision of the Project Operations Manual, whether in whole or in part, without the prior written agreement of the World Bank.

C. Third-Party Verification

The Project Implementing Entity shall maintain, throughout the implementation period of the Project, a Third-Party Monitoring Agent with terms of reference and on terms and conditions acceptable to the World Bank. The TPMA shall be responsible for monitoring and reporting on the achievement of Disbursement-linked Indicators as set forth in Schedule 3 of the Grant Agreement; and without limitation on its other reporting obligations under this Agreement, the Project Implementing Entity shall furnish such reports to the World Bank prior to each Withdrawal during the implementation of the Project in accordance with the verification protocol set out in the Project Operations Manual.

D. Plans and Strategies

1. The Project Implementing Entity shall, throughout Project implementation, furnish to the World Bank for approval as soon as available, but in any case not later than three (3) months after the start of each Fiscal Year, an annual work plan and budget for the Project for each subsequent Fiscal Year, of such scope and detail as the World Bank shall have reasonably requested, except for the annual work plan and budget for the first Fiscal Year, which shall be furnished prior to the commencement of any activities under the Project.
2. The Recipient shall, no later than one (1) month after furnishing to the World Bank each annual work plan and budget referred to in the preceding paragraph, the World Bank having provided no-objection, ensure that the same is approved by the Project Steering Committee, and shall thereafter ensure that the Project is carried out in accordance with such plan and budget as agreed in writing with the World Bank.

Section II. Project Monitoring, Reporting and Evaluation

The Project Implementing Entity shall monitor and evaluate the progress of the Project and prepare Project Reports in accordance with the provisions of Section 2.06(b) of the Standard Conditions and on the basis of indicators acceptable to the World Bank. Each such Project Report shall cover the period of one calendar semester, and shall be furnished to the Recipient and the World Bank not later than forty-five (45) calendar days after the end of the period covered by such report.