

OFFICIAL DOCUMENTS

ISLAMIC REPUBLIC OF PAKISTAN PROVINCE OF PUNJAB

29 May, 2018

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

**Re: Credit Number 6247-PK
Punjab Green Development Program
Performance Monitoring Indicators**

Dear Sir/Mesdames:

We refer to Section III of Schedule 2 of the Financing Agreement (Punjab Green Development Program) between the Islamic Republic of Pakistan the "Recipient" and the International Development Association "Association" and Section III. of Schedule to the Project Agreement between the International Development Association and Province of Punjab (Project Implementing Entity) of even date herewith for the above-mentioned Project.

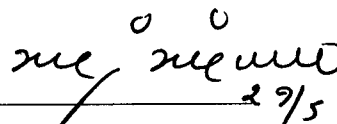
We hereby agree that the Performance Monitoring Indicators to monitor and evaluate the carrying out of the Project and the achievement of the objectives thereof are those set forth in the Attachment to this letter.

Very truly yours,

ISLAMIC REPUBLIC OF PAKISTAN

By 
Authorized Representative

PROVINCE OF PUNJAB

By  29/5

Attachment

Results Framework Matrix

Results area	PDO indicators	Intermediate indicators	DLI #	Unit of measure	Baseline (FY18)	End target (FY23)
Strengthening Environmental Governance	1. Average time to obtain IEE approval of investments with low safeguards risks			Number of days	160	90
		1.1. New or updated law, policies, and regulations		Number (cumulative)	1	6
		1.2. New or updated environmental standards		Number (cumulative)	0	67
	2. Stack emission and effluent discharge inspections carried out by EPA		1	Number of inspections	400	2,250
		2.1. Monitoring stations operational for air quality monitoring	2	Number of stations	6	30
		2.2. Monitoring stations operational for water quality monitoring	2	Number of stations	0	15
		2.3. Inspection teams at EPA		Number of teams	12	35
	3. Disclosure of environmental information and citizen engagement		3	Number of reports on State of Punjab's Environment (cumulative)	0	3
		3.1. Annual public consultation events on State of Punjab's Environment report organized in different cities		Number of events	0	5
		3.2. Number of nongovernmental institutions participating in annual public consultations on State of Punjab's Environment report		Number of institutions	0	10
		3.2. An interactive EPD platform for public inputs in environmental management		Yes/No	No	Yes
	4. Volume of carbon emissions avoided from green investments			Tons CO ₂ e (cumulative)	0	339,000

Results area	PDO indicators	Intermediate indicators	DLI #	Unit of measure	Baseline (FY18)	End target (FY23)	
Promoting Green Investments		4.1. Energy savings in public institutions under the Program	5	GWh (cumulative)	0	72	
		4.2. Proportion of registered motor vehicles with valid VICS certificates	6	Percentage	0	15	
	5. Volume of new public and private capital leveraged for green investments			US\$ millions (cumulative)	0	100	
		5.1. Number of industrial firms that received financial support from the Program for RECP investments			Number of firms	0	500
		5.2. Investment in RECP technologies by SMEs supported by the Program	7		US\$ millions	0	10
		5.3. Capitalization of the EEF	8		US\$ millions	0	55

Indicator name (#)	Description	Frequency	Data source	Methodology for data collection	Responsibility for data collection
1. Average time to obtain IEE approval of investments with low safeguards risks	This indicator measures the average time between the acceptance of the complete submission of IEEs of a low-safeguards-risk project and the notification of a decision to applicants by the EPA (approval or rejection).	Semi-annual	EPA	This indicator, based on EPA registries, will be computed by summing the number of days between IEE acceptance and decision for all low-risk projects submitted during a year, and dividing by the number of such IEEs submitted.	EPD (SPIU)
1.1. New or updated laws, policies, and regulations	This indicator measures the adoption of one updated law, three policies (including the Smog Policy adopted in October 2017), and two regulations.	Semi-annual	EPD	EPD to provide evidence on adopted texts.	EPD (SPIU)
1.2. New or updated environmental quality standards	This indicator measures the adoption of new or updated standards: 9 environmental quality standards, and 58 industry-specific environmental standards.	Semi-annual	EPD	EPD to provide evidence on adopted texts.	EPD (SPIU)
2. Stack emission and effluent discharge	This indicator measures the annual number of inspections that the EPA has performed to	Semi-annual	EPA	The number of stack emission and effluent discharge	EPD (SPIU)

Indicator name (#)	Description	Frequency	Data source	Methodology for data collection	Responsibility for data collection
inspections carried out by EPA	monitor wastewater discharges and air emission from polluting stacks under the Program.			inspections performed in a given year will be collected from EPA monitoring records.	
2.1. Monitoring stations operational for air quality monitoring	This indicator captures the number of functional air quality monitoring stations in Punjab.	Semi-annual	EPA	EPA to provide information on number of stations and evidence of their operational status.	EPD (SPIU)
2.2. Monitoring stations operational for water quality monitoring	This indicator captures the number of functional fixed water quality monitoring stations in Punjab.	Semi-annual	EPA	EPA to provide information on number of stations and evidence of their operational status.	EPD (SPIU)
2.3. Inspection teams at EPA	This indicator measures the number of effluent and stack inspection teams at EPA.	Semi-annual	EPA	EPA to provide information on number of its inspection teams.	EPD (SPIU)
3. Disclosure of environmental information and citizen engagement	This indicator measures the EPD's performance on information disclosure and citizen engagement through the consultation and publication of the State of Punjab's Environment report. The report will be based on quantitative and qualitative analysis of environmental data and EPD performance, and public consultations will be conducted on the content of the report. In line with DLI 2, three successive annual reports are expected to be published from FY21 to FY23. The first report will be a preliminary one with as much information as possible while the EPD's environmental monitoring capacity is being strengthened.	Semi-annual	EPD	Collection of published reports and records of consultation events.	EPD (SPIU)
3.1. Annual public consultation events on State of Punjab's Environment report organized in different cities	This indicator measures the extent of EPD consultations on this report.	Semi-annual	EPD	EPD to provide records of annual public consultation events.	EPD (SPIU)

Indicator name (#)	Description	Frequency	Data source	Methodology for data collection	Responsibility for data collection
3.2. Number of nongovernmental institutions participating in annual public consultations on State of Punjab's Environment report	This indicator measures the extent of institutional participation in public consultation events organized by the EPD for each State of Punjab Environment report, starting in FY21. The focus is on nongovernmental institutions such as business associations, civil society organizations, academic institutions, and the media.	Semi-annual, starting FY21	EPD	EPD to provide record of consultations.	EPD (SPIU)
3.3. An interactive EPD platform for public inputs in environmental management	This indicator captures progress made by the EPD to make available an interactive online platform for the public to participate in environmental management, e.g., commenting on EPD documents and filing complaints.	Semi-annual	EPD	EPD to provide a summary of information collected from the interactive platform.	EPD (SPIU)
4. Volume of carbon emissions avoided from green investments supported	This indicator assesses cumulative climate mitigation impacts (tons of CO ₂ equivalent avoided/sequestered) of green investment activities, including (a) RECP investments, and (b) energy efficiency investments.	Semi-annual	EPD for RECP investments and PEECA for energy efficiency investments	(a) RECP investments. Carbon emissions will be monitored and evaluated before and after RECP investments as part of RECP pilot projects. (b) Energy efficiency in public institutions. PEECA will hire an independent consultant to monitor and evaluate energy efficiency gains at each public institution based on its tested methodology.	EPD (SPIU)
4.1. Energy savings in public institutions under the program	This indicator measures the amount of energy savings generated from the installation of energy-efficient lights and electric fans in 50 public institutions.	Semi-annual	PEECA	PEECA to provide the M&E report of its independent consultant.	EPD (SPIU)
4.2. Proportion of private motor vehicles with valid VICS certificates	This indicator measures the percentage of private vehicles with valid VICS certificate.	Semi-annual	VICS concessionaire	VICS concessionaire to provide records of inspections.	Transport Department (Transport Planning Unit) and EPD (SPIU)

Indicator name (#)	Description	Frequency	Data source	Methodology for data collection	Responsibility for data collection
5. Volume of new public and private capital leveraged for green investments	This indicator assesses the cumulative amount of public and private capital mobilized to support the Program's green investments.	Semi-annual	EPD, PEECA, Transport Department	EPD will be responsible for collecting (a) EEF's financial records, and (b) investment information of (i) RECP pilots/demonstration, (ii) the pilot low-cost wastewater treatment, and (iii) the STZ. PEECA to collect information on investment costs of energy efficiency investments in the 50 public institutions; Transport Department to provide information on investments mobilized for the expansion of its VICS.	EPD (SPIU)
5.1. Number of industrial firms that received financial support from the Program for RECP investments	This indicator measures the number of polluting industrial firms receiving financial support from the Program for RECP investments.	Semi-annual	EPD	EPD to provide information.	EPD (SPIU)
5.2. Investment in RECP technologies by SMEs supported by the Program	This indicator measures the volume of capital invested and direct financial costs (for example, cost of labor) incurred by supported SMEs for investments in RECP technologies, netted from any amounts contributed by the Program.	Semi-annual	EPD	EPD to collect data on individual investments by supported SMEs and provide that information.	EPD (SPIU)
5.3. Capitalization of the Environment Endowment Fund	This indicator measures the level of capitalization of the EEF to be established under the Program.	Semi-annual	EEF	EEF to provide evidence of fund capitalization.	EPD (SPIU)