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**CREDIT NUMBER 4316 - PAK**

# **Program Agreement**

**(Second North West Frontier Province Development Policy Credit)**

**between**

**INTERNATIONAL DEVELOPMENT ASSOCIATION**

**and**

**NORTH WEST FRONTIER PROVINCE**

**Dated June 7, 2007**

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**CREDIT NUMBER 4316-PAK**

**PROGRAM AGREEMENT**

AGREEMENT dated June 7, 2007, entered into between INTERNATIONAL DEVELOPMENT ASSOCIATION (Association) and NORTH WEST FRONTIER PROVINCE acting by its Governor (NWFP or the Program Implementing Entity) (the Program Agreement) in connection with the Financing Agreement of same date between Islamic Republic of Pakistan (the Recipient) and the Association (the Financing Agreement). The Association and the Program Implementing Entity hereby agree as follows:

**ARTICLE I - GENERAL CONDITIONS; DEFINITIONS**

- 1.01. The General Conditions (as defined in the Appendix to the Financing Agreement) constitute an integral part of this Agreement.
- 1.02. Unless the context requires otherwise, the capitalized terms used in the Program Agreement have the meanings ascribed to them in the Financing Agreement or the General Conditions.

**ARTICLE II - PROGRAM**

- 2.01. NWFP declares its commitment to the objectives of the Program. To this end:
  - (a) the Association and NWFP shall from time to time, at the request of either party, exchange views on the progress achieved in carrying out the Program;
  - (b) prior to each such exchange of views, NWFP shall cause to be furnished to the Association for its review and comment a report on the progress achieved in carrying out the Program, in such detail as the Association shall reasonably request; and
  - (c) without limitation upon the provisions of paragraphs (a) and (b) of this Section, NWFP shall exchange views with the Association on any proposed action to be taken after the disbursement of the Credit which would have the effect of materially reversing the objectives of the Program, or any action taken under the Program including any action specified in the Schedule to the Program Agreement.

**ARTICLE III – TERMINATION**

- 3.01. For purposes of Section 8.05(c) of the General Conditions, the date on which the provisions of this Agreement shall terminate is twenty years after the date of this Agreement.

**ARTICLE IV – REPRESENTATIVE; ADDRESSES**

4.01. NWFP's Representative is the Secretary, Finance Department, NWFP.

4.02. The Association's Address is:

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

Cable:	Telex:	Facsimile:
INTBAFRAD Washington, D.C.	248423(MCI) or 64145(MCI)	1-202-477-6391

4.03. NWFP's Address is:

Planning and Development Department  
Government of North West Frontier Province  
Peshawar, Pakistan

Cable:	Facsimile:
DEVELOPMENT Peshawar, Pakistan	091-9210354

AGREED at the District of Columbia, United States of America, as of the day and year first above written.

INTERNATIONAL DEVELOPMENT ASSOCIATION

By /s/ Yusupha B. Crookes

Country Director  
Pakistan

NORTH WEST FRONTIER PROVINCE

By /s/ Abdul Wajid Rana

Authorized Representative

## **SCHEDULE**

### **Actions Taken by NWFP under the Program**

1. From Fiscal Year 2007, NWFP will make available stipends for girl students enrolled in grades six through ten in seven districts where the middle and secondary enrollment rates for girls are below 12 percent.
2. The provincial government of NWFP has executed partnership agreements regarding education sector reforms with at least 50 percent of the district governments in NWFP.
3. NWFP has notified a policy framework for the professional development of teachers within the province.
4. NWFP has issued revised guidelines for parent teachers associations to utilize their development budgets and to undertake capacity-building activities.
5. NWFP has notified and made budgetary allocations for an education sector reform unit with planning and monitoring functions under its Department of Education.
6. The provincial government of NWFP has executed partnership agreements with at least five district governments and a Designated Non-governmental Organization in the province to implement certain management innovations.
7. NWFP has entered into consultancy contracts to carry out baseline studies of quality-of-care assessments in primary and secondary health-care facilities at the district level.
8. NWFP's fiscal budget for the Fiscal Year 2007 is: (a) consistent with the province's medium term budgetary framework and (b) reflects accepted devolution principles by transferring salary budgets for district governments to designated district accounts in accordance with the Provincial Finance Commission's award.
9. NWFP has ensured that at least 20 District Finance Offices and 20 District Accounts Offices within the province have: (i) achieved operational connectivity and productivity in information technology and (ii) introduced uniform charts of accounts under a New Accounting Model.
10. NWFP has implemented the third phase of a procurement action plan to ensure that its procurement practices are able to conform to international standards. To this end, NWFP has identified areas of improvements in its government

procurement rules and taken action to adopt current market rates in place of a composite schedule of rates for government contracts.

11. NWFP has established and made operational a single-window investment facilitation center coordinated by the private sector and corresponding line agencies within the provincial government.