OFFICIAL DOCUMENTS

CREDIT NUMBER 5982-PK

Project Agreement

(Punjab Tourism for Economic Growth Project)

between

INTERNATIONAL DEVELOPMENT ASSOCIATION

and

PROVINCE OF PUNJAB

Dated August 2, 2017
ARTICLE I — GENERAL CONDITIONS; DEFINITIONS

1.01. The General Conditions (as defined in the Appendix to the Loan 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 Loan 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 through its Punjab Resource Management Program (“PRMP”), 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 — 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 (20) years after the date of this Agreement.

ARTICLE IV — REPRESENTATIVE; ADDRESSES

4.01. The Project Implementing Entity’s Representative is its Secretary of the Planning and Development Department.

4.02. The Association’s Address is:
4.03. The Project Implementing Entity’s Address is:

Planning and Development Department
Civil Secretariat, Lahore, Pakistan

Facsimile:
00924299210109

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

INTERNATIONAL DEVELOPMENT ASSOCIATION

By

Authorized Representative

Name: Patchamuthu Illangovan
Title: Country Director

PROVINCE OF PUNJAB

By

Authorized Representative

Name: Iftikhar Ali Sahar
Title: Secretary, PSDD, Crop Punjab
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 PRMP. To this end, the Project Implementing Entity, through PRMP, shall:

(a) Not later than three (3) months after the Effective Date, establish and thereafter maintain throughout the period of implementation of the Project, a Project Steering Committee ("PSC"), with composition and terms of reference satisfactory to the Association, and with responsibilities as set out in the Project Operations Manual, including providing coordination of government stakeholders, policy guidance and executive direction to the Project;

(b) maintain throughout the period of implementation of the Project, the Punjab Resource Management Program (PRMP), with composition and terms of reference satisfactory to the Association, as set out in the Project Operations Manual, and responsible, inter alia, for day-to-day implementation of the Project, including procurement, financial management, safeguards management, and monitoring and evaluation.

(c) Not later than six (6) months after the Effective Date, appoint a monitoring and evaluation specialist and a civil engineer in the PRMP with qualifications and experience, and on terms of references satisfactory to the Association.

(d) Not later than one (1) month after the Effective Date, establish and thereafter maintain throughout the implementation of the Project: (a) a grievance redress mechanism with guidelines and procedures satisfactory to the Association; and (b) a grievance redress committee with composition and terms of reference satisfactory to the Association.


1. The Project Implementing Entity shall:

(a) carry out the Project in accordance with the Project Operations Manual and the Matching Grants Manual; and

(b) except as the Association shall otherwise agree in writing, not assign, amend, abrogate, or waive, or permit to be assigned, amended, abrogated,
or waived, the Project Operations Manual or the Matching Grants Manual or any provision thereof.

2. In the event of a conflict between the provisions of the Project Operations Manual or the Matching Grants Manual and those of this Agreement, the latter shall govern.

C. Matching Grants

1. To facilitate the carrying out and financing of Parts 2(a)(iv) of the Project, the Project Implementing Entity shall make part of the proceeds of the Financing available to Investors on a grant basis ("Matching Grant"), and pursuant to the eligibility, selection criteria and arrangements set out in the Matching Grants Manual for the purpose of making Matching Grants to encourage market entry, specifically of women entrepreneurs through market research and pre-feasibility studies for tourism development.

2. Prior to making a Matching Grant, the Project Implementing Entity shall:

   (a) ensure that each Investor has the organization, management and resources satisfactory to the Association for carrying out the proposed Sub-project;

   (b) ensure that Sub-projects are screened against the criteria set out in the ESMF described in the ESMF and Matching Grants Manual; and

   (c) enter into a grant agreement between the Project Implementing Entity and each Investor ("Matching Grant Agreement"), under terms and conditions acceptable to the Association, which shall also include the following: (i) grants are made on a matching basis; (ii) the implementation responsibilities of the Investor in the implementation of the Sub-projects; (iii) the specification of eligible expenditures that may be financed from the proceeds of the Matching Grant; (iv) financial management and audit procedures consistent with those provisions set out in the Matching Grants Manual; (v) procurement procedures consistent with Section III of this Schedule; (vi) monitoring and reporting arrangements; and (vii) arrangements for implementation of the ESMF and RPF and any plans to be developed thereunder.

3. Without limitation on the provisions of paragraph 2(b) of this Section, the Project Implementing Entity, shall obtain rights under each Matching Grant Agreement adequate to protect its interests and those of the Association, including the right to: (i) suspend or terminate the right of the Investor to use the proceeds of the Matching Grant, or obtain a refund of all or any part of the amount of the Matching Grant then withdrawn, upon the Investor's failure to perform any of its obligations under the Matching Grant Agreement; and (ii) require each Investor to: (A) carry
out its Sub-project with due diligence and efficiency and in accordance with sound technical, economic, fiduciary, managerial, environmental and social standards and practices satisfactory to the Association, including in accordance with the ESMF, RPF and any plans to be developed thereunder and the provisions of the Anti-Corruption Guidelines applicable to recipients of loan proceeds other than the Recipient; (B) provide, promptly as needed, the resources required for the purpose; (C) procure the goods, works and services to be financed out of the Grant in accordance with the provisions of this Agreement; (D) maintain policies and procedures adequate to enable it to monitor and evaluate in accordance with indicators acceptable to the Bank, the progress of the Sub-project and the achievement of its objectives; (E) (1) maintain a financial management system and prepare financial reports in a format acceptable to the Recipient and the Association, both in a manner adequate to reflect the operations, resources and expenditures related to the Sub-project; and (2) at the Association’s or the Recipient’s request, have such financial reports audited by independent auditors acceptable to the Association, in accordance with consistently applied auditing standards acceptable to the Association, and promptly furnish the statements as so audited to the Recipient and the Association; (F) enable the Association to inspect the Sub-project, its operation and any relevant records and documents; and (G) prepare and furnish to the Association all such information as the Association shall reasonably request relating to the foregoing.

4. The Project Implementing entity shall: (a) exercise its rights under each Matching Grant Agreement in such manner as to protect the interests of the Recipient and the Association and to accomplish the purposes of the Financing; and (b) except as the Association shall otherwise agree, not assign, amend, abrogate or waive any Matching Grant Agreement or any provision thereof.

D. Anti-Corruption

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

E. Safeguards.

1. The Project Implementing Entity shall carry out the activities under the Project in accordance with the provisions of the ESMF and RPF, the objectives, policies and procedures thereof, and the social and environmental mitigation measures and monitoring requirements provided therein including any and all plans, acceptable to the Association, developed thereunder.

2. The Project Implementing Entity shall:

(a) prepare, prior to commencement of civil works under the Project for a site, an ESMP, including a Cultural Resource Management Plan if required,
satisfactory to the Association, and in accordance with the terms of reference in the ESMF;

(b) implement the ESMP and Cultural Resource Management Plan; and

(c) not amend, suspend or abrogate any of the provisions of the ESMP or Cultural Resource Management Plan without the prior agreement of the Association.

3. The Project Implementing Entity shall:

(a) prepare, prior to the commencement of any civil works requiring land acquisition at a site under the Project, RAPs, satisfactory to the Association, in accordance with the RPF;

(b) implement the RAPs, including, unless otherwise agreed with the Association, payment in full of compensation to all Displaced Persons prior to commencing of any related works; and

(c) not amend, suspend or abrogate any of the provisions of the RAPs without the prior agreement of the Association.

4. The Project Implementing Entity shall: (a) ensure that any technical assistance, market or pre-feasibility studies or plans to be supported under the Project are carried out under terms of reference satisfactory to the Association following its review thereof and, to that end, said studies shall duly incorporate the requirements of Association’s Safeguard Policies and be publicly disclosed and consulted upon in accordance with the Association’s Safeguard Policies; and (b) ensure that any capacity building activities under the Project are consistent with, and pay due attention to the Association’s Safeguard Policies.

5. The Project Implementing Entity shall not commence any civil works under the Project until project design and supervision consultants have been appointed, with qualifications and experience and on terms and conditions satisfactory to the Association.

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 in accordance with the provisions of Section 5.08 (b) of the General Conditions and on the basis of indicators set forth in the Project Operations Manual. Each such Project Report shall cover the period of one calendar semester, and shall be furnished to the Borrower not later than forty-
five (45) days after the end of the period covered by such report for incorporation and forwarding by the Borrower to the Bank of the overall Project Report.

2. The Project Implementing Entity shall provide to the Recipient not later than four (4) 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 such 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 (1) fiscal year of the Project Implementing Entity. 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 six (6) 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 and services required for the Project and to be financed out of the proceeds of the Financing shall be procured in accordance with the provisions of Section III of Schedule 2 to the Financing Agreement.