Program Agreement

(Punjab Public Management Reform Program)

between

INTERNATIONAL DEVELOPMENT ASSOCIATION

and

PROVINCE OF PUNJAB

Dated December 2, 2013
PROGRAM AGREEMENT

AGREEMENT dated December 2, 2013, entered into between INTERNATIONAL DEVELOPMENT ASSOCIATION ("Association") and PROVINCE OF PUNJAB ("Program Implementing Entity") ("Program Agreement") in connection with the Financing Agreement ("Financing Agreement") of same date between ISLAMIC REPUBLIC OF PAKISTAN ("Recipient") and the Association. 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 this Agreement have the meanings ascribed to them in the Financing Agreement or the General Conditions.

ARTICLE II — PROGRAM

2.01. The Program Implementing Entity declares its commitment to the objectives of the Program. To this end, the Program Implementing Entity shall carry out the Program in accordance with the provisions of Article IV of the General Conditions, and shall provide promptly as needed, the funds, facilities, services and other resources required for the Program.

2.02. Without limitation upon the provisions of Section 2.01 of this Agreement, and except as the Association and the Program Implementing Entity shall otherwise agree, the Program Implementing Entity shall carry out the Program in accordance with the provisions of the Schedule to this Agreement.

ARTICLE III — REPRESENTATIVE; ADDRESSES

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

3.02. The Association’s Address is:

International Development Association
1818 H Street, N.W.
Washington, D.C. 20433
United States of America
3.03. The Program Implementing Entity's Address is:

Planning and Development Department
Government of Punjab
Lahore
Pakistan

Facsimile:
92-42-9921-4069

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

INTERNATIONAL DEVELOPMENT ASSOCIATION

By Authorized Representative

PROVINCE OF PUNJAB

By Authorized Representative
SCHEDULE

Program Execution

Section I. Implementation Arrangements

A. Program Fiduciary, Environmental and Social Systems

Without limitation on the provisions of Article IV of the General Conditions, the Program Implementing Entity shall carry out the Program in accordance with the Program Fiduciary, Environmental and Social Systems.

B. Anti-Corruption

Without limitation upon the provisions of Section I.A of this Schedule, the Program Implementing Entity shall carry out the Program in accordance with the provisions of the Anti-Corruption Guidelines.

C. Other Program Institutional and Implementation Arrangements

1. Program Institutions

Without limitation on the generality of Section I.A of this Schedule, the Program Implementing Entity shall be responsible for the management, coordination, implementation and monitoring and evaluation of the Program in accordance with the following arrangements:

Steering Committee

(a) The Program Implementing Entity shall, through the Steering Committee, provide overall strategic direction and guidance and facilitate the coordination between different departments and levels within the Program Implementing Entity during Program implementation. The Steering Committee may, at its discretion, refer any matter involving a policy decision or implementation challenge to the Secretaries Committee, the Commissioners Conference and/or the DCO Committee for guidance to ensure effective implementation of the Program.

(b) To this end, the Program Implementing Entity shall maintain, throughout the period of implementation of the Program, the Steering Committee, with composition, institutional framework, powers, functions, and resources satisfactory to the Association, and supported by competent personnel in adequate numbers for such purpose.
PRMP

(c) The Program Implementing Entity shall, through PRMP, be responsible for the management and coordination of the day-to-day implementation of the Program activities by PRMP, PITB, PPRA and E&T Department; the monitoring of results under the Program; and the preparation of performance and financial reports on Program implementation.

(d) To this end, the Program Implementing Entity shall maintain, throughout the period of implementation of the Program, the PRMP, with composition, institutional framework, powers, functions, and resources satisfactory to the Association, and supported by competent personnel in adequate numbers for such purpose.

2. Program Action Plan

(a) Without limitation on the generality of Section I.A of this Schedule, the Program Implementing Entity shall:

(i) carry out the Program Action Plan in a manner satisfactory to the Association; and

(ii) not amend, revise, waive, void, suspend or abrogate, or allow to be amended, revised, waived, voided, suspended or abrogated, any provision of the Program Action Plan, without the prior written concurrence of the Association.

(b) In case of any inconsistency between the provisions of the Program Action Plan and those of this Agreement and/or the Financing Agreement, the provisions of the latter agreements shall prevail.

Section II. Excluded Activities

The Program Implementing Entity shall ensure that the Program shall exclude any activities which:

A. in the opinion of the Association, are likely to have significant adverse impacts that are sensitive, diverse, or unprecedented on the environment and/or affected people; or

B. involve the procurement of: (1) works, estimated to cost fifty million Dollars ($50,000,000) equivalent or more per contract, and for works contracted through the Program Implementing Entity’s method of direct contracting, works estimated to cost five million Dollars ($5,000,000) equivalent or more per contract; (2) goods, estimated to cost thirty million Dollars ($30,000,000)
equivalent or more per contract, and for goods contracted through the Program Implementing Entity’s method of direct contracting, goods estimated to cost five million Dollars ($5,000,000) equivalent or more per contract; (3) non-consulting services, estimated to cost twenty million Dollars ($20,000,000) equivalent or more per contract, and for non-consulting services contracted through the Program Implementing Entity’s method of direct contracting, non-consulting contracts estimated to cost five million Dollars ($5,000,000) equivalent or more per contract; or (4) consultants’ services, estimated to cost fifteen million Dollars ($15,000,000) equivalent or more per contract, and for consultants’ services contracted through the Program Implementing Entity’s method of direct contracting or single-source selection, consultants’ services estimated to cost five million Dollars ($5,000,000) equivalent or more per contract.

Section III. Program Monitoring, Reporting and Evaluation; Audits

A. Program Reports

1. The Program Implementing Entity shall monitor and evaluate the progress of the Program and prepare Program Reports in accordance with the provisions of Section 4.08 of the General Conditions. Each Program Report shall cover the period of one (1) calendar semester, and shall be furnished by the Program Implementing Entity to the Recipient not later than thirty (30) days after the end of the period covered by such report for incorporation and forwarding by the Recipient to the Association of the Program Report.

2. Without limitation on the generality of the provisions of Section III.A.1 above, the Program Implementing Entity shall:

   (a) for the purpose of verifying Disbursement Linked Results, engage, not later than March 31 of each calendar year, with the first such engagement not later than March 31, 2014, and for those Disbursement Linked Results requiring semi-annual verification, also engage not later than September 30 of each calendar year, an independent third party entity or entities, with qualifications, experience and terms of reference satisfactory to the Association, to undertake the verification process referred to in Section III.A.2(b) below;

   (b) undertake, at least annually, a verification process, in a manner satisfactory to the Association, through the independent third party entity or entities engaged pursuant to Section III.A.2(a) above, to ascertain whether the Disbursement Linked Results have been achieved for the Period(s) under review; and
(c) furnish to the Association corresponding verification reports, in form and substance acceptable to the Association, by not later than sixty (60) days after the end of the period referred to in Section III.A2(a) above;

B. Program Financial Audits

Without limitation on the generality of Section I.A of this Schedule and Section 5.09 of the General Conditions, the Program Implementing Entity shall have the Financial Statements audited in accordance with the provisions of Section 4.09 (b) of the General Conditions. Each audit of the Financial Statements shall cover the period of one (1) fiscal year of the Program Implementing Entity. The audited Financial Statements for each such period shall be furnished to the Recipient not later than five (5) months after the end of such period for incorporation and forwarding by the Recipient to the Association of the audited Financial Statements.