Quarterly Progress Report # 4

Project Number: 46526-007
Loan Number: 3562-PAK
Date: August 2020

Punjab Intermediate Cities Improvement Investment Project

QPR for the reporting period 1 April 2020 to 30 June 2020
Prepared by Project Management Unit of PICIIP, Government of Punjab, Pakistan

NOTES

(i) The fiscal year (FY) of the Government of the Islamic Republic of Pakistan and its agencies ends on 30 June.

(ii) In this report "$" refer to US dollars.

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Maps

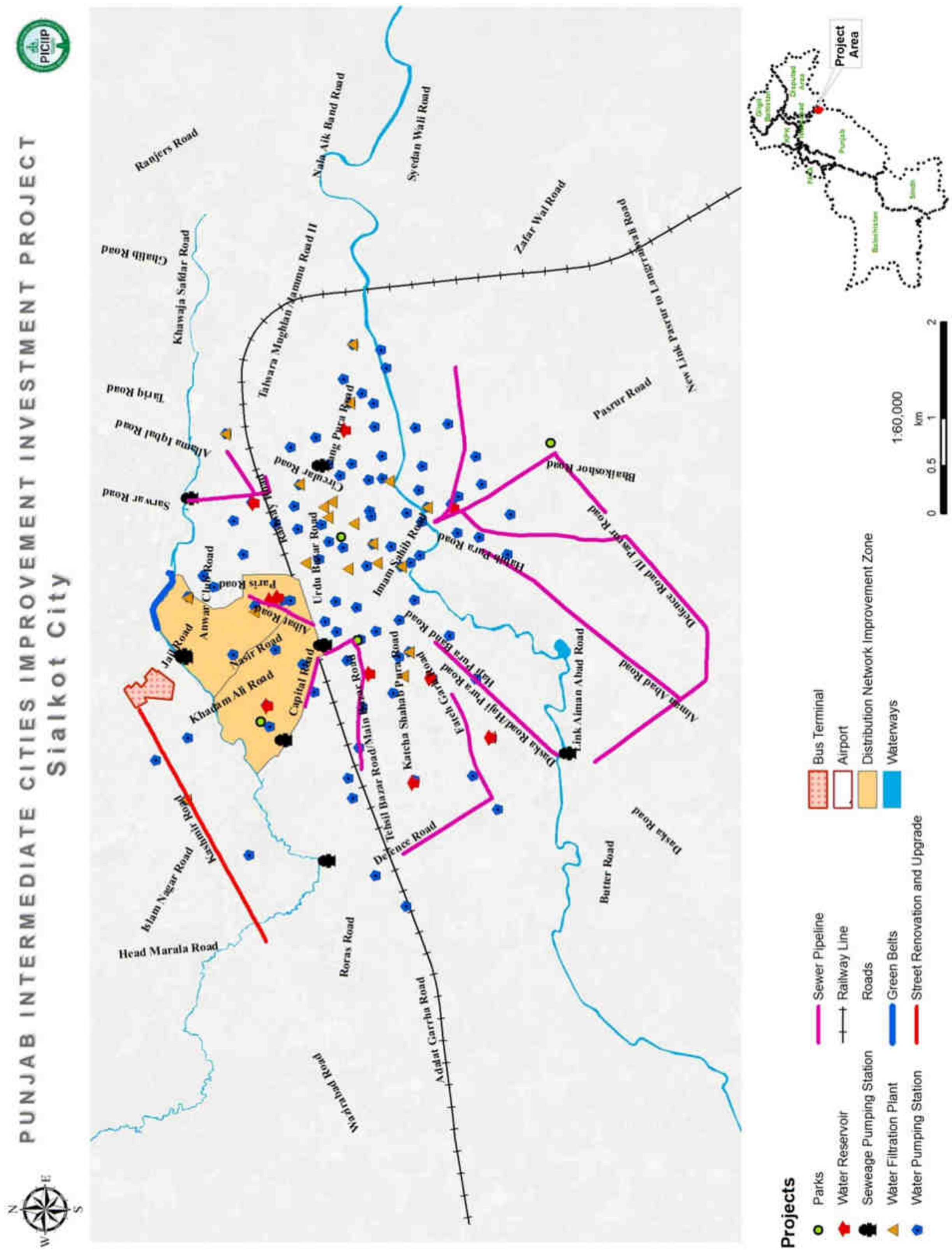

Figure 1: Map showing sub projects of Sialkot

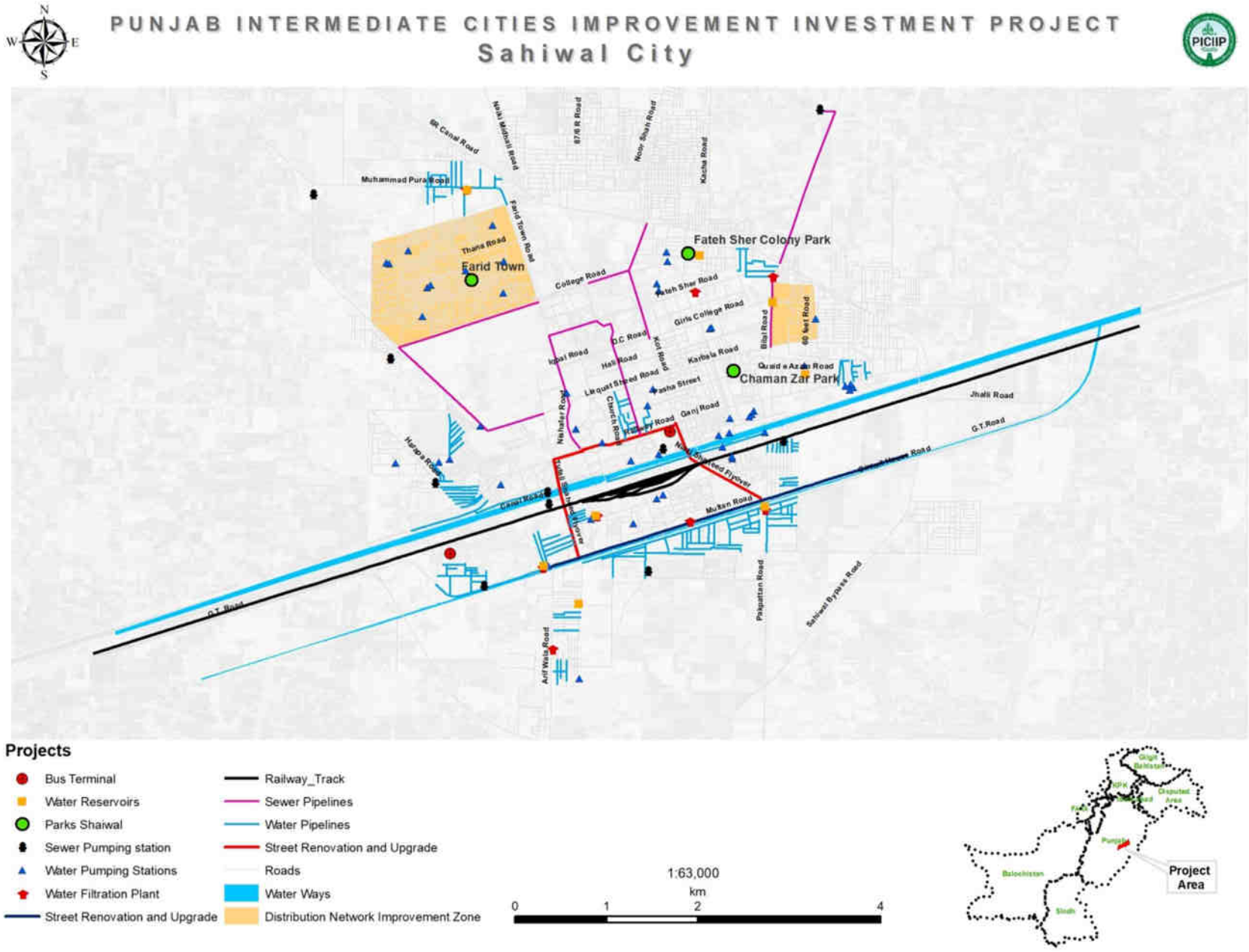

Figure 2: Map showing sub projects of Sahiwal

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A. Project at a Glance

Basic Data			
Project Name	Punjab Intermediate Cities Improvement Investment Project	**Approval Number**	3562-PAK
Executing Agency	Local Government and Community Development Department, Government of Punjab		
Implementing Agencies	City governments of Sahiwal and Sialkot (Municipal Corporations)		
Safeguards & Gender	Environment: B: Involuntary Resettlement: A: Indigenous Peoples: C Gender: EGM		
Sector	• Water and other urban infrastructure and services	**Subsector(s)**	• Other urban service • Urban flood protection

Project Cost by Financier ($ millions)					
Project Cost:	250.0	**ADB Loan:**	200.0	**Government Share**	50.0

Project Design Summary	
Impact	Impact the Project is Aligned with: *Living standards, health, and economy in Sahiwal and Sialkot improved (Punjab Growth Strategy 2018)*
Outcome	Access to quality urban services by the residents of Sahiwal and Sialkot cities improved
Outputs	1. Water supply systems improved through installation and rehabilitation of 114 boreholes and tube wells (Sahiwal-19; Sialkot-95); 22 water reservoirs (Sahiwal-12; Sialkot-10); 20 water pumping stations (Sahiwal-8; Sialkot-12); about 350 kilometers (km) of water pipes (Sahiwal-54 km; Sialkot-312 km); up to 15,000 metered customer connections (Sahiwal-6,400; Sialkot-8,800), 1,400 of which will be piloting prepaid meters; and new supervisory control and data administration systems. 2. Sanitation systems improved` through the installation of 18 sewage pumping stations (Sahiwal-10; Sialkot-8), replacement of about 41 km of sewer pipes (Sahiwal-11 km; Sialkot-30 km), provision of equipment for wastewater management, unblocking of local drains, and construction of a centralized wastewater treatment plant (WWTP) in Sahiwal. Equipment will also be procured for improved collection and segregation of solid wastes. 3. Urban public spaces improved through rehabilitation of 11 parks (Sahiwal-6; Sialkot-5), three greenbelts (Sahiwal-2; Sialkot-1), footpaths, riverbank paths, streets, and three bus terminals with new platforms, ticketing offices, tourist information centers, passenger amenities including concourse, cafeterias, and accessibility for differently abled persons (Sahiwal-2; Sialkot-1). 4. Institutional support and capacity developed through establishment of urban services standards, enhancement of the customer service function, and development of new tariff structures. Various capacity development programs—including O&M of key urban services, urban planning, project management, and tariff policy—will also be delivered to relevant staff in the government and the urban service companies. This output will also promote behavior changes in hygiene practice and environment through partnership with youth groups and civil society organizations.

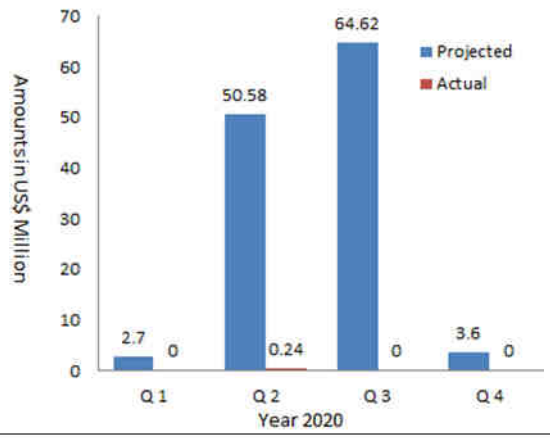
Milestones					
Approval	19 Sep 2017	**Signing**	18 Dec 2017	**Effective**	16 Mar 2018
Project Comp.	31 Dec 2023	**Loan Closing**	30 June 2024	**Last Review**	04 Mar 2020

Time Elapsed versus Contract Awards and Disbursements (Cumulative as of 31 March 2020)

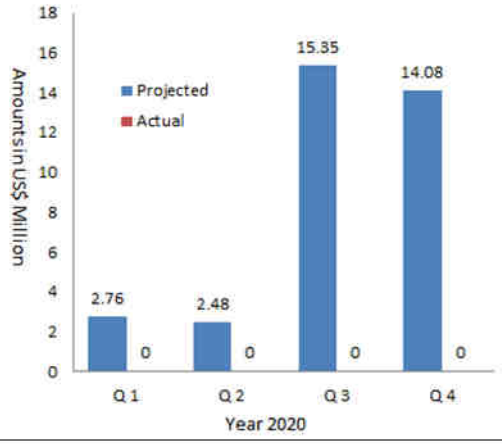
Elapsed Time %	42	100	Disbursement %	7.9	100

CAD Performance of the Year 2020 (Table 1)

Contract Award 2020 (Projected vs Actual)



Disbursement 2020 (Projected vs Actual)



B. Office Establishment and Staffing

1. Key staff strength in PMU and CIUs is thirty-one. Nine positions remain vacant out of which 4 were advertised in Q1/2020. After shortlisting, interviews were conducted for three positions in June 2020. Candidates for two positions i.e. Director (Administration & Finance) and Director (Monitoring & Evaluation) appeared for interviews, have been finalized by Selection Committee, and will be hired and mobilized before 7 August 2020. A single candidate was shortlisted for the post of Director (Procurement & Contracts) who did not appear for interview. The post of Director (Procurement and Contracts) will be re-advertised in early July, 2020. It is decided that an officer from Govt. service will be posted for the position of Deputy Program Director, who will join PMU by the end of July, 2020.

2. In addition to PICIIP Phase-1, the loan has been signed for the Project Readiness Facility for Punjab Urban Development Projects. It has been decided by the government that PMU PICIIP will manage this project as well. Additional human resource would be required for this assignment; therefore, PMU is preparing a revised PC-I for establishment of PMU and CIUs for PICIIP which will be presented to PDWP by 30 July, 2020. Current Detail of staffing is attached as **Appendix 1.**

3. After PDWP approval of Revised PC-I of Establishment of PMU and CIUs for PICIIP, General Office, IT Equipment, Furniture and Fixtures, Office Repair and Communication & Media Equipment will be procured through shopping under package PICIIP-24-PMU Establishment.

C. Utilization of Funds

i) Contract Awards

3. Expressions of Interest for Operational Design and Business Model Consultancy were called for the first time in September 2017 and then in July 2019. Both of the times no firm was selected. Since the exercise of hiring ODBM consultancy failed twice, the TORs of this assignment were revised and subsequently approved by ADB. EOIS were advertised for the 3rd time dated 14 May 2020. Last date of submission of EOIs is 10 July 2020. Deliberation on TORs for ODBM consultancy goes on while the EOI period due to response received from interested firms and refinement of TORs continued. It is of utmost importance to prepare very comprehensive and clear TORs to attract good firms for proposal submission.

4. Individual Consultancy contracts for Procurement & Contracts Specialist, Environmental Specialist, Social Safeguard Specialist, Institutional Development Specialist and Gender Specialist were signed in the 4th week of April, 2020 and Notices to proceed were issued to the consultants dated 8 May, 2020 after getting approval from ADB. The contracted amount with: (i) Social Safeguard Specialist is Rs. 9,870,672/-; (ii) Institutional Development Specialist is Rs. 7,898,730/-; (iii) Environmental Specialist is Rs. 6,920,676/-; (iv) Procurement & Contracts Management Specialist is Rs. 7,014,462/-; and (v) Gender Specialist is Rs. 4,321,464/-. All individual consultancy contracts are inclusive of taxes.

5. A revision was sought in the the Contract Agreement for the Contract for Package PICIIP-Cons_02, Consultancy for Engineering, Procurement, and Construction Management (EPCM). ADB approved the third variation in this contract on 7 May 2020 through which the Contract Amount was increased by PKR 217.4 million, to a total of PKR 587.04 million.

6. ADB provided their no objection letter for Bidding Documents and initiation of procurement for package PICIIP-03 Sahiwal WATSAN on 8 May 2020. The package was advertised dated 15 May 2020 with a bid submission deadline of 15 June 2020. The bid evaluation is in process and Contract Award process is intended to be completed by 30 September 2020.

7. An overview of previously awarded contracts is given hereunder;

- The IFB for package PICIIP-01/NCB-Works was advertised using single-stage two-envelope bidding process on 29 April 2019 with the bid submission date of 27 May, 2019. Letter of award was issued to the successful contractors for each Lot on 30 September 2019 and contracts signed on 10 October 2019.

- The IFB for package PICIIP-02/ICB-Goods was advertised using single-stage two-envelope bidding process on 17 April 2019. The bid submission date was extended till 17 June 2019. Letter of award was issued to the successful bidder on 26 September 2019. The contract for this package was signed dated 31 October 2019.

- The IFB for package PICIIP-14/NCB-Works was advertised on 23 August 2019 with the bid submission date of 30 September 2019. The Technical Bid Evaluation Report, Financial Bid Evaluation Report and Contract Agreement were shared with ADB dated 28 November 2019 for post-review. The ADB sent its approval dated 16 December 2019.

8. ADB approved the request of minor change from Borrower dated 12 May 2020 alongwith the approval of Procurement plan version 4. However, due to some recent developments, the procurement plan is being revised further. Detail of all procurement and consulting services contracts under Project is prepared using under process Version 5 of the procurement plan, provided as **Appendix 2**.

ii) **Project Expenditure**

9. Against a 42% of project lapsed period, the financial disbursement progress is $ 15.893 million i.e. 7.94% of total loan amount. At the end of the period under report, the cumulative project expenditure stood at $ 15.593 million. This includes: (i) $ 8.238 million from ADB OCR loan, and (ii) $ 7.355 million from local (counterpart) contribution. Further, this office submitted two Withdrawal Applications amounting to US$ 3.559 million dated 29 June 2020, which will be processed in due course of time.

iii) **Contract Award and Disbursement (CAD) Performance**

Due to Covid-19 pandemic, project pace has been seriously affected and post Covid-19 estimates were shared with ADB in current quarter. Details are as follows in Table 1;

Table 1: CAD Performance of the Year 2020

	Contract Awards ($million)			%	Disbursement ($million)	%
Period	**Projected (Jan 2020)**	**Actual**	**Achieved**	**Projected (Jan 2020)**	**Actual**	**Achieved**
Quarter 1 (Jan-Mar)	2.70	0	0	2.76	0	0
Quarter 2 (Apr-Jun)	50.58	0.24	0.48	2.48	0	0
Quarter 3 (Jul-Sep)	64.62	0	0	15.35	0	0
Quarter 4 (Oct-Dec)	3.60	0	0	14.08	0	0
Total 2020	**121.5**	**0.24**	**0**	**34.67**	**0**	**0**

PICIIP-01-Public Spaces

10. The details of the contracted amount and payments for package PICIIP-01-Public Spaces is as under;

Table 2: Payment Details PICIIP-01-Public Spaces

Sr. No.	Name of Contract	Contract Value (Rs)	Paid till Q1 2020 (Rs)	Paid in Q2 2020 (Rs)
1	PICIIP-01-PUBLIC SPACES: Lot 1 Upgradation of 3 existing parks in Sahiwal	154,090,599	23,113,590	9,202,702
2	PICIIP-01-PUBLIC SPACES: Lot 2 (upgradation of 4 existing parks in Sialkot)	308,201,087	50,059,140	12,209,384

PICIIP-02-Solid Waste Management, Water & Sanitation Equipment

11. A Withdrawal application for direct payment of US $ 254,404.80 against Lot # 2 of Package PICIIP-02-Solid Waste Management, Water & Sanitation Equipment has been sent to ADB in Q2/2020 which will be processed in due course of time. The details of the contracted amount and payments for package PICIIP-02-SWM, Water and Sanitation Equipment is as under:

Table 3: Payment Details PICIIP-02-SWM, Water & Sanitation Equipment

Sr. No.	Name of Contract	Contract Value $	Paid till Q1 2020 $	Paid in Q2 2020 $
1	PICIIP-02- SWM, Water and Sanitation Equipment (Lot 1)	2,036,269	203,627	-
2	PICIIP-02- SWM, Water and Sanitation Equipment (Lot 2)	1,694,107	169,410	-
3	PICIIP-02- SWM, Water and Sanitation Equipment (Lot 3)	2,037,736	203,774	-

PICIIP-14-PLGA Lahore

12. The details of the contracted amount and payments for package PICIIP-14-PLGA Lahore is as under:

Table 4: Payment Details PICIIP-14-PLGA Lahore

Sr. No.	Name of Contract	Contract Value Rs.	Paid till Q1 2020 Rs.	Paid in Q2 2020 Rs.
1	PICIIP-14 PLGA, Lahore	1,863,801,178	279,570,177	149,571,948

iv) **Counterpart Funds:**

13. The counterpart funds amounting to Rs. 973.347 million was released in financial year 2019-20 and Rs. 969.288 million were utilized till period under report.

Table 5: Counterpart Funds Allocation and Utilization Status

No.	Financial Year	Counterpart Funds (PKR million)			
		Allocation	Released	Expenditure	% Utilization
1	2017-18	50.137	50.137	23.36	46.60
2	2018-19	50.00	10.000	10.00	100.00
3	2019-20	450.00	973.347	969.28	99.58
4	2020-21	300.00	-	-	-
5	2021-22	-	-	-	-
	Total (PKR Million)	**850.137**	**1033.484**	**1,002.64**	**1,002.64**

D. Implementation Progress By Component

14. PICIIP aims at improving the quality of life of the residents of Sahiwal and Sialkot in Punjab by improving the urban infrastructure and services including safe, reliable, and widely available water supply, waste water management, solid waste management and urban transport infrastructure, and enhancing the operations and maintenance capacity for urban service delivery. It supports the selected cities in phased approach to urban development focusing on broad urban sector reforms, followed by improvements in infrastructure and capacity development.

15. The project is aligned with the following impacts: improved living standards, health and economy in Sahiwal and Sialkot. The progress is described below;

i. Output 1 & 2: Water supply and Sanitation systems improved

a. Preparatory Work

16. The water supply and Sanitation master plan for Sahiwal and Sialkot has been prepared by EPCM consultant. The sectoral assessment reports of both cities were approved by their respective MCs in Q1 2019. The WSS master plan for Sahiwal was submitted on 30 April 2019 and for Sialkot on 25 June 2019 by EPCM consultant to PMU. The master plans were shared with the Municipal Corporations of respective cities for their review and were presented before District Planning and Design Committees. Master plan for Sahiwal and priority projects to be taken up under PICIIP in this city were approved by District Planning & Design Committee, Sahiwal on 9 August 2019. The master plan and priority projects for Sialkot were approved by District Planning & Design Committee, Sialkot on 18 December 2019, with the condition to include the extended boundaries of MC Sialkot in the master plan. Subsequently, the revised master plan for Sialkot has been prepared and submitted to relevant authorities in April 2020.

17. Equipment procurement for improved collection, segregation, transportation and safe disposal of solid wastes is a part of output 2. Careful due diligence has been made in design of improvement of solid waste management system by comprehensive evaluation of the current solid waste management system in both Sahiwal and Sialkot. As per SWM sector condition at that time in both cities, there was an urgent requirement to procure equipment in order to bridge existing shortfalls in collection capacity and to increase the efficiency of the waste collection system. Preparation of a detailed Solid Waste Master Plan is included in TORs of Urban Mobility and Design Consultants and it will be decided in medium term review, expected in October 2020, whether or not more investment will be made in the SWM sector.

b. Implementation Status

18. PC-I for Sahiwal Water and Sanitation project (PICIIP-03-Sahiwal-Water and Sanitation) was principally approved by Provincial Development Working Party (PDWP) of Government of the Punjab dated 10 March 2020 with the direction to update the cost estimates as per MRS 1st biannual of year 2020. Cost clearance was issued after submission of revised estimates in light of decisions made by PDWP dated 10 April 2020. ADB has approved the IEE report for this package in Q2/2020. The SDDR for this package,submitted to ADB dated 17 April 2020, is still under review by ADB Social Safeguard Unit. The package was advertised on 15 May 2020 and bid evaluation is in process. Land Acquisition is also in process.

19. The PC-I for Sialkot Water Supply and Sanitation Component (PICIIP-11-Sialkot-Water and Sanitation) has been submitted to P&D Department to be presented before PDWP for approval dated 22 June 2020. ADB has approved the IEE for Sialkot WATSAN package dated 24 June 2020; SDDR for this package is still under review by ADB Social Safeguard Unit. Land Acquisition is also in process. LARP is under preparation and will be submitted to ADB by 20 September 2020 for review and approval.

20. The PC-Is have been prepared for construction of Wastewater Treatment Plant in North Zone Sahiwal (PICIIP-08A-Sahiwal-WWTP) as well as for construction of Waste Water Treatment Plant in North Zone, Sialkot (PICIIP-12-Sialkot-WWTP) and submitted to P&D Department for PDWP approval dated 22 June 2020. Both these packages involve Land Acquisition and LARP is under preparation which will be shared with ADB by 15 August 2020 for Sahiwal and on 20 September 2020 for Sialkot for review and approval.

21. The miscellaneous civil works for STP sites (boundary wall and sheds) for the Wastewater treatment plants of Sahiwal and Sialkot are to be procured under PICIIP-26 and PICIIP-28 respectively.

22. 3 lots for supply and installation of SWM, water and sanitation equipment package (PICIIP-02-SWM, Water and Sanitation Equipment) were awarded on 31 October 2019 with completion date of 30 October 2020. Financial progress of this package is 10%. 1st Delivery of

goods i.e. of 36 mini tippers of value $ 254,404.80/- was made on 22 June 2020; but due to delays faced in import of equipment by the Supplier, originated due to Covid-19 outbreak, the delivery of other items is delayed. Please refer to Appendix 12 for project pictures. EPCM consultant is designing the parking sheds for the machinery to be supplied under PICIIP-02 to both Sahiwal and Sialkot cities. The sheds are to be procured through Shopping under PICIIP-27 and PICIIP-29 after approval of PC-I by 30 September 2020. Apart from this, some items approved in PC-I for SWM, Water and Sanitation equipment are to be procured through shopping under the PICIIP-25-Miscellaneous SWM & WSS Goods. PMU PICIIP is working with MCs of both cities on Operation and Maintenance plan of SWM & WSS Goods. The plan will be finalized in August 2020.

23. Implementation plan has been made for sub-projects and is presented in **Appendix-2** Table A2.1: Preparedness of the Subprojects for Bidding.

c. Implementation Challenges

Output 1: Water Supply Systems Improved

24. The project is related to improvement of urban infrastructure and it is one of the most challenging sectors in terms of social safeguards. Land acquisition issues were there initially for new tube well installations, construction of overhead reservoirs, filtration plants etc. for Output 1. The issue is resolved by changing the locations of proposed tubewells and overhead reservoirs to govt. lands. Apart from this, rehabilitation of water supply system (in both Sahiwal and Sialkot) may involve a lot of community disturbance when it comes to excavations and material storages. Taking NOCs from city authorities for starting works on city roads is also a challenge for which PICIIP is coordinating with different departments to get NOCs. To minimize the community disturbance, traffic management plans has been developed and their implementation has been made a part of the bill of quantities for both PICIIP-03 and PICIIP-11 packages.

Output 2: Sanitation System Improved

25. Further land acquisition challenges are still prevailing, under the umbrella of Land Acquisition Act 1894 for new influent pumping stations and wastewater treatment plants. The land acquisition is a big challenge in fertile land area. The issuance of funds from the Govt. is also a time taking process. No complaints have been received for the water and sanitation packages land acquisition, however, 13 complaints have been received for PICIIP-08A-Sahiwal-WWTP and 1 complaint has been received for PICIIP-12-Sialkot-WWTP. PMU is preparing a detailed Land Acquisition and Resettlement Plan (LARP) in order to facilitate the DPs/APs to the maximum level which will be submitted to ADB for review and approval. Please refer to Table 7 for status of Land Acquisition.

26. The Covid-19 pandemic has adverse effects on import of machinery for SWM, water and sanitation equipment package.

ii. Output 3: Urban public spaces improved.

a. Preparatory Work

27. Improved urban public spaces are vital for the mental and physical health of city habitants. PICIIP is undertaking rehabilitation of 3 public parks in Sahiwal and 4 public parks in Sialkot; which have been selected in close collaboration with the Parks and Horticulture Authorities of both Cities. Details is given under;

Sahiwal

1. Chamanzar Park
2. Park and Playground Near Stop # 10, Farid Town; and
3. Fateh Sher Park

28. The scope of work includes Landscaping, Irrigation System, Electrification System, Plumbing System, Surveillance System, Kiosks, Toilet, Gazebos, Open Gym, Gardener Room, CCTV Cameras, Lake, Fountain, Ticketing Booth, Security Room, Jogging Track, Walk ways, Children Play Area etc.

Sialkot

1. Sialkot Fort Park
2. Abdul Hakeem Park for Ladies
3. Ladies and Children Park (Model Town)
4. Gulshan-e-Iqbal park

29. The scope of work includes Landscaping, Irrigation System, Electrification System, Plumbing System, Light Poles, Surveillance System, Kiosks, Toilet, Gazebos, Open Gym, Amphitheater, Museum, Gardener Room, CCTV Cameras, Prayer Deck, Security Room, Jogging Track, Walk ways, Children Play Area, Fountains etc.

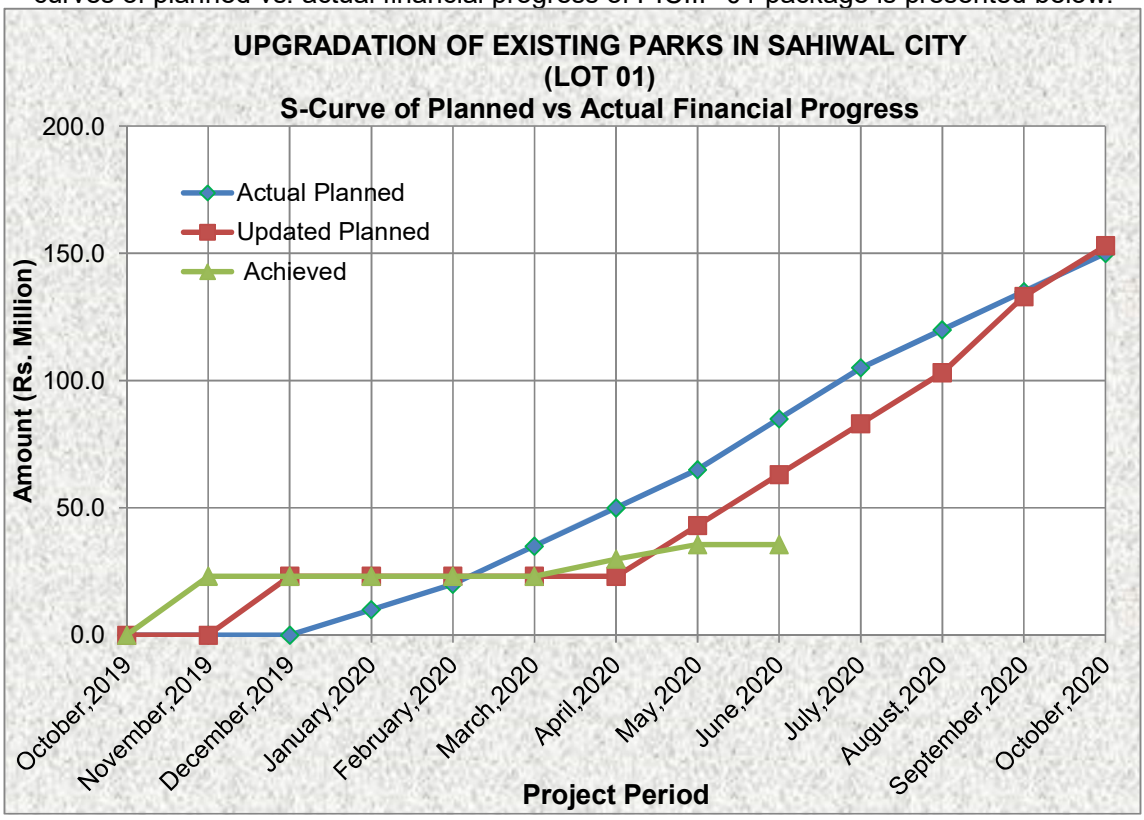
30. Social Due diligence report and Environmental Screening and Categorization Forms for these parks were submitted to ADB in March 2019. ADB has given approval of the due diligence reports.

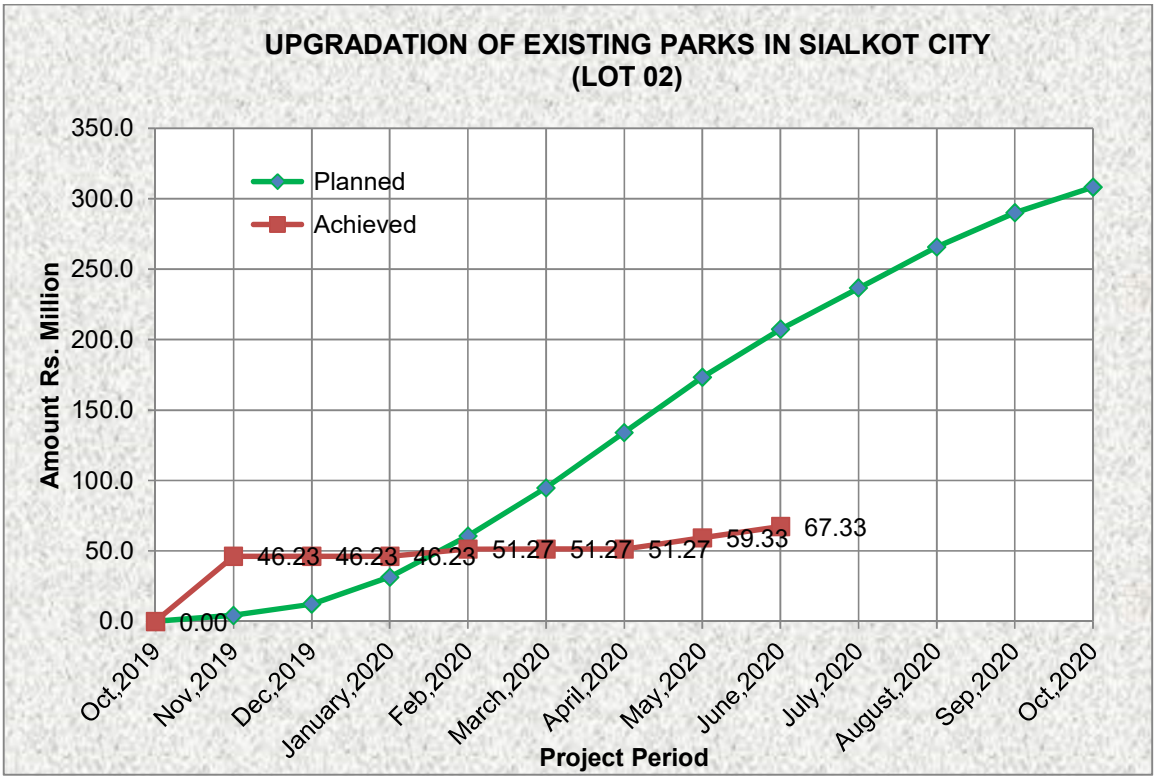
31. Upon request of Sahiwal city stakeholders, PC-I for PICIIP-04A, Upgradation/Rehabilitation of existing roads, streets and pavements in Sahiwal is being prepared by the EPCM consultant. The package is intended to be advertised in Q3/2020.

b. Urban Mobility (Preparation of land use plan, urban transport plan and urban mobility planning) Design and Supervision Consultant (Firm) is to be hired under PICIIP-Cons_05. The remaining urban public spaces packages including PICIIP-04 Upgradation of existing roads, footpaths, signalling, green belts open spaces and Parks (for Sahiwal and Sialkot), PICIIP-09 Sialkot Bus Terminal and PICIIP-10 Sahiwal Bus Terminal will be design under this consultancy. The ToRs of this consultancy package have been prepared and EOI advertisement is expected by mid August.**Implementation Status**

The two lots of package PICIIP-01-Public Spaces were awarded on 10 October, 2019. The intended project completion date is 24 October, 2020. Till now, physical progress is 15.4% and financial progress is 20.97 % for Lot 1 (i.e. up-gradation of 3 existing parks in Sahiwal) and physical progress is 33.25% and financial progress is 20.20 % for Lot 2 (i.e. up-gradation of 4 Existing parks in Sialkot). Please refer to Appendix 12 for pictures of on-going works at sites. S-

curves of planned vs. actual financial progress of PICIIP-01 package is presented below.





c. Implementation Challenges

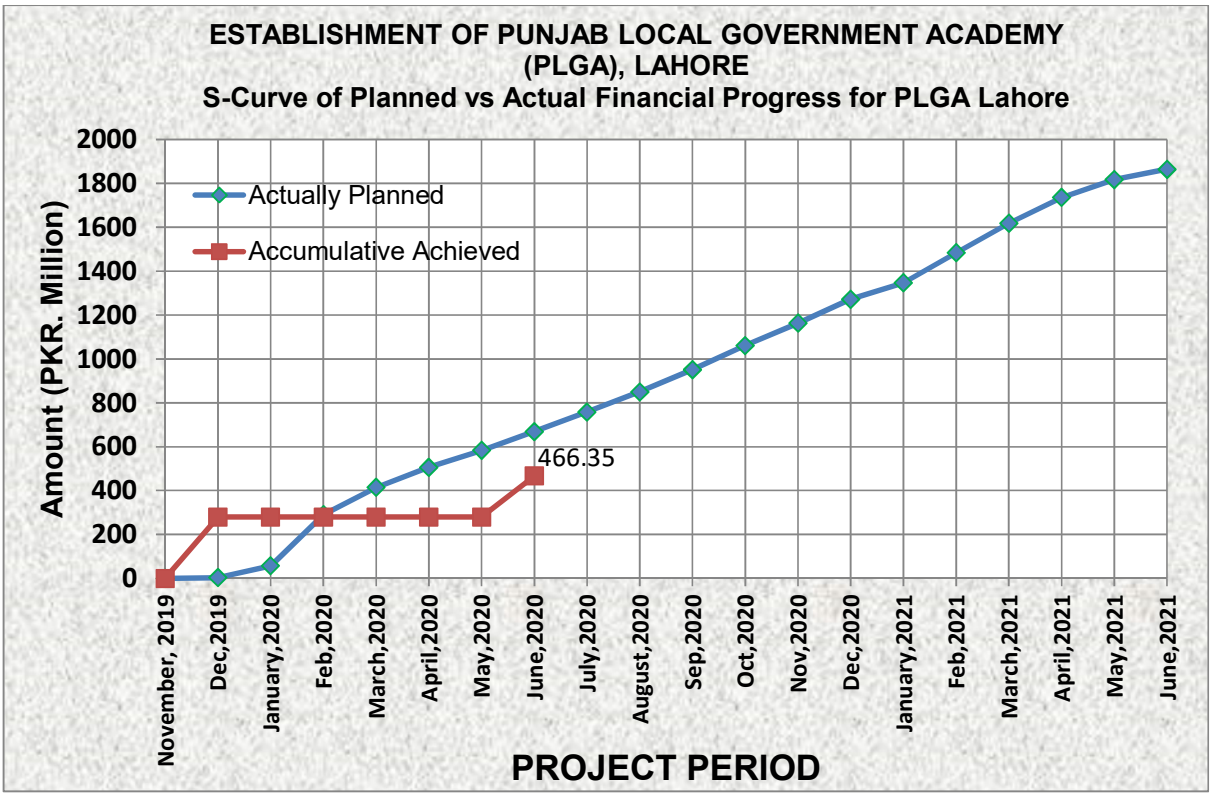
32. Parks are located within the populated areas and there may be nuisance to the general public during project execution if proposed mitigation measures are not adopted. Environmental management plans are prepared and will be strictly followed during project execution.

33. The Government of Punjab imposed lock down due to the COVID 19 outbreak starting from 24 March 2020 which hampered the project pace and contractors were demobilized from both the sites for 30 days. After lifting up of lock down restrictions from construction industry, work has been resumed at sites and the Contractors have been instructed by the Consultant to enhance the resources to overcome delay / slow progress.

iii. Output 4: Institutional support and capacity developed.

a. Implementation Status

34. The contract for construction of Punjab Local Government Academy (PLGA), Lahore (PICIIP-14) was awarded on 27 November 2019, with the intended completion date of 10 June 2021. The project involves construction of a six-storey building including two basements, with total covered area 232,000 sft comprising academic block, administration block, residential block, and commercial block for rent. The pile work was completed on 6 June 2020. The capping beam for piles started on 6 June 2020 and was completed on 20 June 2020. Construction progress in the month of June was hampered due to some preparatory works; these include delays in issuance of NOCs / Route permit for transportation of excavated earth; making arrangements (i) for disposal site needed for excavation works, and (ii) for protecting cantilever retention piles. Bar Bending Schedules (BBS) for fuel tank, under-ground water tank, service lift and pump room have been finalized. BBS for columns and raft foundation were not submitted in the reporting month. Please refer to Appendix 12 for pictures of on-going work at site. S-curve of planned vs. actual financial progress of PICIIP-14 package is presented below.



35. The institutional development specialist has joined PMU team and is working on the TORs of Capacity Building for LG&CDD Consultancy package (PICIIP_Cons_05A). PC-II of this consultancy package is being prepared and its EOI will be advertised in Q3/2020.

36. Smart city centres are to be established in Sahiwal and Sialkot under PICIIP-22 and PICIIP-23. For detailed design of this component, a package PICIIP-Cons_07, Hiring of consultants for Smart City Initiatives is added in the recent procurement plan.

b. Implementation Challenges

37. The Government of Punjab imposed lock down due to the COVID 19 outbreak starting from 24 March 2020 which has hampered the project pace as the contractors were demobilized from the site for 30 days. Even after the lock down has been eased, there are some problems regarding procurement of materials, which is hindering progress of work.

38. To meet the project targets, the works are now being carried out day and night.

iv. Reporting on Monitoring and Results Framework

39. Detailed achievements against performance indicators of Outcome, Outputs as set out in the Project's design and monitoring framework, and the contribution to ADB's results framework are provided at **Appendix 4**, and **5** respectively.

E. Performance of Contractors and Suppliers

40. The performance of contractors for awarded packages is on a slower pace due to the Covid-19 Pandemic but it is expected to be paced up in coming months. Short summary is presented in the table below;

Table 6: Progress of Work – Awarded Contract (Works and Goods)

Sr. No.	Contract	Contractor/ Supplier	Contract Cost	Date of Agreement	Intended completion Date	Physical Progress (%age)	Financial Progress (%age)
1	Lot 1: Up gradation of 03 existing Parks in Sahiwal	M/s HCS-Mastic (JV)	PKR 154,090,599	10 October 2019	24 October 2020	15.40	20.97
2	Lot 2: Up gradation of 04 existing Parks in Sialkot	M/s HCS-Mastic (JV)	PKR 308,201,087	10 October 2019	24 October 2020	33.25	20.20
3	Construction of Punjab Local Govt. Academy Lahore	M/s Habib Construction Services Ltd.	PKR 1,863,801,178	27 November 2019	10 June 2021	16.16	23.03
4	Supply and Installation of Water and Sanitation Equipment Lot-1	M/s Kissan Eng.-M/s Meraj - M/s Hino Pak (JV)	US$ 2,036,269	31 October 2019	30 October 2020	-	10
5	Supply and Installation of Water and Sanitation Equipment Lot-2	M/s Kissan Eng.-M/s Meraj - M/s Hino Pak (JV)	US$ 1,694,107	31 October 2019	30 October 2020	4.81	10
6	Supply and Installation of Water and Sanitation Equipment Lot-3	M/s Kissan Eng. - M/s Meraj - M/s Hino Pak-M/s Rikkans (JV)	US$ 2,037,736	31 October 2019	30 October 2020	-	10

F. Performance of Consultants

41. The Engineering, Procurement and Construction Management (EPCM) Consultant i.e. NESPAK-ARTELIA Joint Venture is on board since 18 April 2018 and working on design of sub-

projects of Punjab Intermediate Cities Improvement Investment Program for Sahiwal and Sialkot cities. The water supply and sanitation master plans of both cities are prepared by the consultant and stand approved. Detailed engineering design of priority projects for water and sanitation sectors for both cities have also been prepared by the consultant. However, the finalization of these designs is dependent on PDWP approval of PC-Is of relevant civil-works packages (except PICIIP-03, the PC-I for which has been approved in Q2-2020).

42. The EPCM consultant issued a notice of Force Majeure under GCC Clause-17 on 26 March 2020 stating that the lock down imposed by Government of the Punjab has slowed down their services but staff will continue to work from home. On 15 April 2020, PMU instructed EPCM consultant to resume their services and also to pass on directions to the Contractors for starting construction works on sites, in light of Govt. of the Punjab order No.SO(G)P&SHD/3-8/2020 dated 14 April 2020. Subsequently, Contractors were instructed to resume construction works at site dated 16 April 2020 following government SOPs. It is pertinent to mention here that as a result of strict follow up of SOPs, none of the sites have yet reported any case of Covid-19.

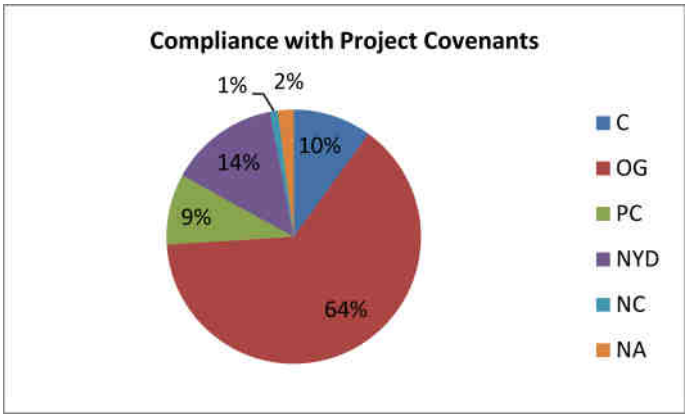
43. Many of the agreed deliverables submitted by the consultant were poor quality and had to be returned by PMU for revisions. Due to this despite first submission being received on-time; finalization of these deliverables took longer than expected; resulting in project delays. One major problem being faced in this contract is that it involved design as well as construction supervision but the contract is only time based. Design phase involves many revisions in design while getting approvals from different forums therefore, design phase is normally deliverable based and construction supervision is time based which is not the case in current EPCM consultancy agreement. PMU has signed a variation order with the EPCM consultant on 27 February 2020 to enhance the exhausted inputs of experts. All future consultancy contracts will be made deliverable based to avoid such problems. Please refer to **Appendix-7** on the Utilization of the consulting services inputs.

44. 5 individual consultants have been hired to support PMU in the fields of procurement and contracts management, institutional development, environment, social safeguard and gender. For details please refer to para 4 and **Appendix 2.7** Status of Recruitment of Consultants (Individual Consultants).

45. For details of utilization of consulting services inputs, please refer to **Appendix-7**.

G. Compliance with Covenants

46. Out of the total 100 covenants as stipulated in the Loan and Project Agreements, 10 (10%) are complied with, 64 (65%) are on-going, 9 (9%) are partly complied with, another 14 (14%) are not yet due, 1 (1%) are not complied and two (2%) are not applicable. Details are in **Appendix 6.**



C = Complied, NA = not applicable, NC = not complied, NYD = not yet due, OG = ongoing, PC = partly complied.

47. The critical non-compliance or partial compliance relate to: (i) implementation of the financial sustainability action plan [Para 17(c), Schedule 5 to the Loan Agreement (LA)], (ii) creation of urban services companies in Sahiwal and Sialkot that was due by January 2018 (Para 18, Schedule 5 to LA), (iii) recruitment of external monitors for providing third party external monitoring of the compliance to safeguard requirements [Para 10, Schedule to Project Agreement

(PA)], (iv) appointment of gender staff (Para 14, Schedule to PA), (v) appointment of staff and timely recruitment of consultants (Para 2, Schedule 5 to LA and Para 8, Schedule 5 to LA).

48. PMU needs Government of Punjab (GoPb)'s support in formation of urban services companies but the action is dependent on the hiring of Operation Design and Business Model Consultant and its findings in this regard.

H. Financial Management and Financial Sustainability Action Plans

49. The Guideline given in Financial Management Manual, PAM, PC-I, Principles of Accounting issued by PIFRA are being followed in PMU and both CIUs. Trainings for financial management as well as for processing of withdrawal application have been conducted for PMU and CIUs staff. Acceptable audited statements have been prepared and shared timely with ADB.

50. Financial sustainability action plan included the following actions which are pending due to non-hiring of ODBM Consultant.

- Based on "Willingness to Pay Survey" completed in 2016, conduct another consumer survey in both cities, to identify illegal connections and convert them to legal connections
- Undertake water tariff and wastewater tariff workshop(s) and public consultations.
- Draft tariff policy and guidelines, which will focus on full recovery of operations and maintenance cost of urban services companies in the two cities.
- Establish a customer service and accounting units in urban service companies
- Endorse the tariff policy and guidelines.
- Start water meters installation (Output 1 of the design and monitoring framework)
- Improve collection efficiency of water tariff and wastewater tariff collections in both cities, by 3% per annum, starting from FY2018.
- Introduce a policy for annual inflation-linked increase in water and wastewater tariffs (plot area and usage type).
- Implement volumetric water and wastewater tariff, for all prepaid and post-paid meter connections.
- Expand coverage of meters (pre- and post-paid) along with volumetric tariff among the population of both cities

51. A detailed compliance status of the actions agreed in financial management and financial sustainability action plans is provided at **Appendix 8**.

I. Safeguards

i) Social Safeguards

52. PMU has submitted the SDDR for Sahiwal Water and Sanitation Project (PICIIP-03) dated 17 April 2020 for ADB review and approval. Land acquisition for influent pumping stations (Lot 3: north and south zone) is involved for this package, for which LARP is to be prepared. Tentative date for Draft LARP is 15 August 2020.

53. For Sahiwal WWTP (PICIIP-08A) North Zone, land requirement was finalized and Section 4 for this land was issued dated 25 November 2019 and PC-I was approved dated 24 December 2019. Section 5 for this land was issued dated 18 March 2020 and Section 6 was issued dated 19 May 2021.

54. SDDR for Sialkot water and sanitation project (PICIIP-11) was prepared and submitted to ADB dated 4 June 2020.. Comments received on SDDR from ADB have been incorporated and the report is re-submitted to ADB in early July 2020. Land acquisition for pumping station and some portion of force main is involved for this package, for which LARP is to be prepared. Tentative date for Draft LARP is 20 September 2020.

55. For Sialkot WWTP (PICIIP-12) North Zone, land requirement was finalized and Section 4 was issued dated 11 October 2019, and PC-I for land acquisition was approved dated 24 December 2019. Section 5 for this land was issued dated 18 March 2020, and Section 6 was published in the Gazette dated 21 May 2020. However, the addition of 5 more Union Councils in city boundary has resulted in an additional requirement of 86 acres for Wastewater Treatment Plant, for which working is ongoing and section 4 will be issued in July 2020.

56. Please refer to Table 7 for status of land acquisition in Sahiwal and Sialkot.

Table 6: Status of Land Acquisition

Sr. No.	General Description	Land Requirement and Status of Land Acquisition	Action Plan	No. of Complaints received
Sahiwal				
PICIIP-03-Sahiwal-Water and Sanitation	Lot 3: North Zone Sahiwal (Sanitation) Trunk main sewer Conduit, Influent pumping station and allied works	- 05 acres and 16 Marlas - Section 9 to be issued	- Board of Revenue meeting to be conducted for approval and issuance of section 9 by 17 July 2020. - Draft LARP is under preparation for ADB submission.	Nil
	Lot 4: South Zone Sahiwal Trunk main sewer, Effluent pumping station and allied works	- 04 acres 06 kanals and 10 Marlas - Section 4 notified	- PC-1 to be revised due to land relocation	Nil
PICIIP-08A-Sahiwal-WWTP	Construction of WWTP Plant in North Zone Sahiwal	- 196 acres and 02 Kanals and 18 Marlas - section 9 to be issued	- Board of Revenue meeting to be conducted for approval and issuance of section 9 by 17 July 2020. - Draft LARP is under preparation for ADB submission.	13
Sialkot				
PICIIP-11-Sialkot-Water and Sanitation	Lot3: Lying of force main and Construction of Influent Pumping Station	- 2 Acres 04 kanals and 07 Marlas - Section 5 to be issued	- PC-1 to be revised due to land relocation and LARP	Nil
PICIIP-12-Sialkot-WWTP	Construction of (WWTP) in North Zone Sialkot	- 154 acres and 05 Kanal and 16 Marlas - Section 9 to be issued	- Board of Revenue meeting to be conducted for approval and issuance of section 9 by 21 July 2020. - Draft LARP is under preparation for ADB submission.	01
		- 84 acres (additional land) - section 5 to be issued	- Section 4 to be issued	Nil

57. Social DDRs are prepared for Parks of both cities as well as for Punjab Local Government Academy, Lahore and approved by ADB. A brief on categorization of awarded contracts in terms of Social Safeguards is given below;

Table 8: Categorization of Awarded Contract (Works and Goods)

Sr. No.	Name of Package	Social Categorization	
		Involuntary Resettlement	Indigenous Peoples
1	Upgradation of Chamanzar Park, Sahiwal	Category "C"	Category "C"
2	Upgradation of Park and Playground Near Stop # 10 Farid Town, Sahiwal	Category "C"	Category "C"

3	Upgradation of Fateh Sher Park, Sahiwal	Category "C"	Category "C"
4	Upgradation of Sialkot Fort Park	Category "C"	Category "C"
5	Upgradation of Ladies and Children Park, Model Town, Sialkot	Category "C"	Category "C"
6	Upgradation of Gulshan Iqbal Park, Sialkot	Category "C"	Category "C"
7	Upgradation of Abdul Hakeem Park for Ladies	Category "C"	Category "C"
8	Construction of Punjab Local Government Academy at Lahore	Category "C"	Category "C"

ii) Environmental Safeguards

58. Environmental Screening and Categorization Forms (ESCF) were prepared for Upgradation of Existing Parks of Sahiwal and Sialkot cities which lie in Category C under ADB SPS 2009. Similar exercise was conducted for the construction of PLGA Lahore and the project envisaged to be included in Category B. Environmental Management plan have been prepared for all three awarded projects and are being implemented in strict compliance with ADB guidelines under supervision of EPCM consultant and PMU team. Environmental monitoring is being done for the projects under execution and semiannual reports will be shared with ADB in July 2020.

59. ESCF and Initial Environmental Examination Reports for Sialkot Water Supply and Sanitation package (PICIIP-11) was prepared and sent to ADB for approval dated 23 June 2020, for which ADB approval was received dated 24 June 2020. IEE is approved by ADB and will soon be disclosed for public on both ADB and PICIIP websites.

60. The IEE reports for Sahiwal and Sialkot WWTPs (PICIIP-08A and PICIIP-12 respectively) are under preparation and will be submitted to ADB in early Q3/2020.

61. ESCF and IEE report are prepared for water supply and sanitation packages for Sahiwal (PICIIP-03) and submitted to ADB in Q1/2020. IEE report is approved by ADB and disclosed for public on both ADB and PICIIP website while SDDR is under review.

iii) Implementation of Gender Action Plan

62. Gender Action Plan for PICIIP will be implemented throughout the project. For this, projects are designed to support gender inclusiveness like provision of separate male and female toilets, provision of diaper changing stations and nursing areas in bus terminals, rehabilitation of ladies and children park Sialkot. Also, day care facility is proposed in Punjab Local Government Academy Lahore to facilitate women participation in trainings etc. Within PICIIP Team, females are always encouraged to participate in in-house as well as ADB arranged trainings. Focused Group discussions and WASH trainings are being planned which will be executed after the Covid 19 situation in the country improves. A separate Quarterly report on GAP will be submitted separately to ADB, however, Update on GAP is also provided in an **Appendix 9.**

J. Monitoring and Reporting

63. The Loan / Project Agreement and PAM require the submission of Quarterly Progress Report (QPR) on Project Execution, Audited Project Financial Statements, Bi-annual Safeguards Monitoring Report, Report on actual or potential breach of compliance with ESMS, EMP, LARP, or IPP, Completion Report. A matrix of all such reports together with reference in PAM, and Loan / Project Agreements, and status of submission is provided at **Appendix 10.**

K. Update on Agreed Actions with most recent ADB Missions

64. Out of 6 agreed actions, with the loan review/country portfolio review/quarterly portfolio review mission 2 (33.3%) are completed from EA side and now concurrence is awaiting from

ADB, while 0 (0%) actions were in non-compliance. Apart from that 4 (66.6%) actions are partly completed. Details are in **Appendix 11.**

65. The agreed actions that are in partial or non-compliance, include; (i) Procurement of Phase II Works, (ii) Hiring of remaining Staff for PMU and CIUs, (iii) Hiring of Consultant Firms/Individual Consultants and (iv) Land Acquisition. The current status of agreed actions is given below;

- PC-I for Sahiwal WATSAN has been approved by PDWP; however, the PC-Is for Sialkot WATSAN, Sialkot WWTP and Sahiwal WWTP are submitted to P&D Department through LG&CD Department for PDWP approval.
- Remaining Positions of PMU will be advertised by Q3/2020.
- 5 Individual consultants have been mobilized, 1 position for External Monitor Social Safeguard is advertised in current quarter with the submission deadline of 5 July, 2020. Urban development specialist will be advertised and smart cities development specialist will be re-advertised in Q3/2020.
- EOIs for ODBM consultants were advertised in Q2/2020 with closing date of 10 July, 2020.
- For detail of land acquisition status, please refer to table 7.

66. PMU fully agrees to comply with all the agreed actions and is working to achieve the targets.

L. Major Project Issues and Problems

67. The land finalization for parking plazas, smart city centers and bus terminals are delayed which may delay the project. The PC-1 for PICIIP approved from ECNEC is umbrella based and one liner budget is approved for different consultancies, works, goods and consultancy services contracts without having detailed cost estimates. When it comes to preparation detailed PC-I / PC-IIs of sub components, there are variations in cost.

68. The work done in pre-feasibility and PPTA stage was not detailed and thus the PMU had to undertake master planning for Water Supply and Sanitation projects which took more than an year. Delayed approvals of water and sanitation master plans from District Planning and Design Committees have further delayed the implementation of water and sanitation projects in Cities. Further, the Covid-19 pandemic has badly impacted the progress of on-going projects as well as the design of upcoming projects of water and sanitation under PICIIP. Both these factors have resulted in non-achievement of Contract Awards and Disbursement projections.

69. Drainage is an important component and cannot be neglected while planning the city. Therefore, drainage component should be incorporated in the project scope, preferably in the TORs of Urban Mobility Consultants.

70. Implementation arrangements in current PAM also need to be revised after revision of PC-I of Establishment of PMU and CIUs for PICIIP. PC-I is in approval process and after that revised PAM will be submitted for approval of ADB.

M. Action Plan to Mitigate Implementation Challenges

71. Please find below the action plan to mitigate implementation challenges

Table 9: Implementation Challenges and Mitigation Action Plan

Sr. No.	Implementation Challenge	Action Plan
1	Hampered progress due to Covid-19 Pandemic	Deputation of additional resources to complete the project within scheduled time
2	Traffic Management	Incorporation of Traffic Management Plan items in project BOQs

3	Environmental Management	Incorporation of Environmental Management Plan items in project BOQs
4	Land Acquisition	Timely release of funds
5	Complaint Management	Notification of Grievance Redress Committees and effective liaison with DPs/APs
6	Preparation of efficient Tors for ODBM consultancy and receiving competitive proposal	Refinement of TORs prior issuance of Request for Proposals for ODBM Consultancy will be made as firm have raised queries on the TORs at EOI stage.

Appendix 1

Update on Staff Appointments (PMU and CIUs)

Sr. No.	Name of Key Staff Position	Approved Strength (No.)	Position Filled (No.)		Vacant	Vacant Since
			As of Last quarter	As of Quarter under review		
A. PMU						
1	Program Director	1	1	1	0	-
2	Deputy Program Director	1	0	0	1	1 December 2017
3	Chief Engineer	1	1	1	0	-
4	Deputy Director (Infrastructure)	1	1	1	0	-
5	Deputy Director (Urban Planning)	1	1	1	0	-
6	Director (M&E)	1	0	0	1	21 March 2019
7	Deputy Director (M&E)	2	2	2	0	-
8	Director Procurement & Contracts	1	1	0	1	11 February 2020
9	Deputy Director (Procurement & Contracts)	1	1	1	0	-
10	Deputy Director (Communication & Gender)	1	1	1	0	-
11	Director Admin & Finance	1	0	0	1	18 November 2019
12	Deputy Director (Finance & Budget)	1	1	1	0	-
13	Deputy Director IT	1	1	1	0	-
14	Admin Officer	1	1	1	0	-
15	Accountant / Cashier	1	0	0	1	21 March 2019
16	Research Associate	4	4	3	1	30 May 2020
17	Internal Auditor	1	1	1	0	-
B. CIU Sahiwal						
1	Infrastructure Engineer	1	1	1	0	-
2	Assistant Engineer	1	1	1	0	-
3	Research Analyst (Social Safeguard)	1	1	1	0	-
4	Research Analyst (Environment)	1	1	1	0	-
5	Research Analyst (GIS)	1	0	1	0	-
6	Research Analyst (Gender)	1	0	1	0	-
7	Sub Engineer	3	1	3	0	-
8	Admin & Accounts Officer	1	0	1	0	-
C. CIU Sialkot						
1	Infrastructure Engineer	1	1	1	0	-
2	Assistant Engineer	1	1	1	0	-
3	Research Analyst (Social Safeguard)	1	1	0	1	4 March 2020
4	Research Analyst (Environment)	1	1	1	0	-
5	Research Analyst (GIS)	1	1	1	0	-
6	Research Analyst (Gender)	1	0	0	1	21 March 2019
7	Sub Engineer	3	1	3	-	-
8	Admin & Accounts Officer	1	0	0	1	1 July 2019
	Total	**41**	**28**	**32**	**9**	
	Male		**21**	**26**		
	Female		**7**	**6**		
	Female as % of Total		**25%**	**19%**		

Appendix 2

Procurement and Consulting Services Contracts

Table A2.1: Preparedness of the Subprojects for Bidding

Per PP, Package Number and Name of Contract / Lot	Estimated Value (Inclusive of Tax) $	Detailed Engineering Design		Social DDR approved		Environment DDR approved		LARP/RP submitted to ADB		ADB Approval of LARP/RP		IEE/EIA preparation		ADB approval of IEE/EIA		Remarks
		Planned	Actual	Planned	Actual	Planned	Actual	Planned	Actual	Planned	Actual	Planned	Actual	Planned	Actual	
Goods and Works Contracts Estimated to Cost $1 Million or More																
PICIIP-03-Sahiwal-Water and Sanitation Procurement of Water Supply and Sanitation, Water supply system, filtration plants, tubewells, OHRs and trunk main sewer, effluent pumping station and allied works	55,000,000															PC-I has been principally approved on 10 March 2020 by PDWP, cost clearance from P&D Department was issued dated 10 April 2020. Package was advertised dated 15 May 2020 with 15 June 2020 as bid submission date. Bids have been received and are under evaluation by PMU PICIIP. All requisites for project award will be completed by 30 September 2020. Land acquisition for Lot 3 and Lot 4 disposal stations is in process.
Lot 1: North Zone (Water Supply) Water supply system, filtration plants, tubewells, OHRs, SCADA and allied works	*14,200,000*	*Q2/2019*	*Q1/2020*	*Q2/2019*	*Q2/2020*	*Q2/2019*	*Q1/2020*	*Q3/2020*	*-*	*Q3/2020*	*-*	*Q2/2019*	*Q1/2020*	*Q2/2019*	*Q1/2020*	
Lot 2: North	*14,200,000*	*Q2/2019*	*Q1/2020*	*Q2/2019*	*Q2/2020*	*Q2/2019*	*Q1/2020*	*Q3/2020*	*-*	*Q3/2020*	*-*	*Q2/2019*	*Q1/2020*	*Q2/2019*	*Q1/2020*	

Appendix 2

Per PP, Package Number and Name of Contract / Lot	Estimated Value (Inclusive of Tax) $	Detailed Engineering Design		Social DDR approved		Environment DDR approved		LARP/RP submitted to ADB		ADB Approval of LARP/RP		IEE/EIA preparation		ADB approval of IEE/EIA		Remarks
		Planned	Actual	Planned	Actual	Planned	Actual	Planned	Actual	Planned	Actual	Planned	Actual	Planned	Actual	
Zone A (Sanitation) Trunk main sewer lines and allied works																
Lot 3: North Zone B (Sanitation) Trunk main sewer Conduit, Inffluent pumping station and allied works	*13,400,000*	*Q2/2019*	*Q1/2020*	*Q2/2019*	*Q2/2020*	*Q2/2019*	*Q1/2020*	*Q3/2020*	*-*	*Q3/2020*	*-*	*Q2/2019*	*Q1/2020*	*Q2/2019*	*Q1/2020*	
Lot 4: South Zone (Water Supply and Sanitation) Water supply system, filtration plants, tubewells, OHRs, SCADA and trunk main sewer, Effluent pumping station and allied work	*13,200,000*	*Q2/2019*	*Q1/2020*	*Q2/2019*	*Q2/2020*	*Q2/2019*	*Q1/2020*	*Q3/2020*	*-*	*Q3/2020*	*-*	*Q2/2019*	*Q1/2020*	*Q2/2019*	*Q1/2020*	

Appendix 2

Per PP, Package Number and Name of Contract / Lot	Estimated Value (Inclusive of Tax) $	Detailed Engineering Design		Social DDR approved		Environment DDR approved		LARP/RP submitted to ADB		ADB Approval of LARP/RP		IEE/EIA preparation		ADB approval of IEE/EIA		Remarks
		Planned	Actual	Planned	Actual	Planned	Actual	Planned	Actual	Planned	Actual	Planned	Actual	Planned	Actual	
PICIIP-04-A Road Up-gradation Upgradation /rehabilitation of exisiting roads, streets and pavements in Sahiwal	2,000,000	Q3/2020	-	Q3/2020	-	Q3/2020	-	-	-	-	-	Q3/2020	--	Q3/2020	--	PC-I has been submitted to the P&D Department for PDWP approval which is expected in 3rd week of July 2020. PMU team is working on EIA and SDDR
PICIIP-08A-Sahiwal-WWTP	11,500,000	Q2/2020	Q2/2020	-	-	Q3/2020	-	Q3/2020	-	Q3/2020	-	Q3/2020	-	Q3/2020	-	PC-I submitted for PDWP approval. LARP under preparation. The package will be advertised after getting PDWP approval and Admin Approval within Q3/2020.
PICIIP-11-Sialkot-Water and Sanitation Procurement of Works for Rehabilitation / Improvement of Water Supply and Sewerage System in North Zone, Sialkot	50,000,000															PC-I submitted for PDWP approval. LARP under preparation. The package will be advertised after getting PDWP approval and Admin Approval within Q3/2020.

Appendix 2

Per PP, Package Number and Name of Contract / Lot	Estimated Value (Inclusive of Tax) $	Detailed Engineering Design		Social DDR approved		Environment DDR approved		LARP/RP submitted to ADB		ADB Approval of LARP/RP		IEE/EIA preparation		ADB approval of IEE/EIA		Remarks
		Planned	Actual	Planned	Actual	Planned	Actual	Planned	Actual	Planned	Actual	Planned	Actual	Planned	Actual	
Lot 1: Sewerage Lines and Allied Works (Zone 3-A)	*14,700,000*	*Q2/2020*	*Q2/2020*	*Q3/2020*	-	*Q2/2020*	*Q2/2020*	-	-	-	-	*Q2/2020*	*Q2/2020*	*Q2/2020*	*Q2/2020*	PC-I submitted for PDWP approval. LARP under preparation. The package will be advertised after getting PDWP approval and Admin Approval within Q3/2020.
Lot 2: Pre-Cast RCC Conduits and Allied Works (Zone 3-B)	*14,200,000*	*Q2/2020*	*Q2/2020*	*Q3/2020*	-	*Q2/2020*	*Q2/2020*	*Q3/2020*	-	*Q3/2020*	-	*Q2/2020*	*Q2/2020*	*Q2/2020*	*Q2/2020*	Land acquisition for last portion for conduit i.e. about 570 ft is in process.
Lot 3: Influent Pumping station, Forcemain and Allied Works (Zone 3-C)	*12,900,000*	*Q2/2020*	*Q2/2020*	*Q3/2020*	-	*Q2/2020*	*Q2/2020*	*Q3/2020*	-	*Q3/2020*	-	*Q2/2020*	*Q2/2020*	*Q2/2020*	*Q2/2020*	Land acquisition for this lot is in process.
Lot 4: Water Supply System (Zone 3-D)	*8,200,000*	*Q2/2020*	*Q2/2020*	*Q3/2020*	-	*Q2/2020*	*Q2/2020*	-	-	-	-	*Q2/2020*	*Q2/2020*	*Q2/2020*	*Q2/2020*	-
PICIIP-12 Sialkot-WWTP Construction of Wastewater Treatment Plant (WWTP) in	13,000,000	Q2/2020	Q2/2020	-	-	Q3/2020	-	Q3/2020	-	Q3/2020	-	Q3/2020	-	Q3/2020	-	PC-I submitted for PDWP approval. LARP under preparation. The package will be advertised after getting PDWP approval and Admin Approval within Q3/2020.

Appendix 2

Per PP, Package Number and Name of Contract / Lot	Estimated Value (Inclusive of Tax) $	Detailed Engineering Design		Social DDR approved		Environment DDR approved		LARP/RP submitted to ADB		ADB Approval of LARP/RP		IEE/EIA preparation		ADB approval of IEE/EIA		Remarks
		Planned	Actual	Planned	Actual	Planned	Actual	Planned	Actual	Planned	Actual	Planned	Actual	Planned	Actual	
North Zone, Sialkot																
PICIIP-15 PLGA - Lala Musa Upgradation of Punjab Local Government Academy (PLGA) campus at Lala Musa	2,000,000	Q1/2021	-	Q1/2021	-	-	-	-	-	-	-	Q1/2021	-	Q1/2021	-	Under scope identification, will be taken up for DED in Q4/2020.
Goods and Works Contracts Estimated to Cost Less than $1 Million and Consulting Services Contracts Less than $100,000 (Smaller Value Contracts)																
PICIIP-24-PMU Establishment General Office, IT Equipment, Furniture and Fixtures, Office Repair and Communication & Media Equipment	450,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	PMU has submitted revised PC-I to LG&CD for approval of items of this package.
PICIIP-25-Miscellaneous SWM & WSS Goods Miscellaneous Goods for	150,000	Q4/2018	Q4/2018	-	-	-	-	-	-	-	-	-	-	-	-	PC-I is approved.

Appendix 2

Per PP, Package Number and Name of Contract / Lot	Estimated Value (Inclusive of Tax) $	Detailed Engineering Design		Social DDR approved		Environment DDR approved		LARP/RP submitted to ADB		ADB Approval of LARP/RP		IEE/EIA preparation		ADB approval of IEE/EIA		Remarks
		Planned	Actual	Planned	Actual	Planned	Actual	Planned	Actual	Planned	Actual	Planned	Actual	Planned	Actual	
Water & Sanitation and SWM																
PICIIP-26-Miscellaneous Civil Works Miscellaneous Civil Works for STP site Sahiwal (boundary wall, sheds etc)	100,000	Q2/2020	Q2/2020	-	-	Q3/2020	-	Q3/2020	-	Q3/2020	-	Q2/2020	-	Q2/2020	-	PC-I submitted to P&D Department for Approval.
PICIIP-27-Miscellaneous Civil Works Miscellaneous Civil Works for SWM Site Sahiwal (parking sheds, stores etc)	150,000	Q3/2020	-	-	-	-	-	-	-	-	-	-	-	-	-	PC-I under preparation.
PICIIP-28-Miscellaneous Civil Works Miscellaneous Civil Works for STP site Sialkot (boundary wall, sheds etc	100,000	Q2/2020	Q2/2020	-	-	Q3/2020	-	Q3/2020	-	Q3/2020	-	Q3/2020	-	Q3/2020	-	PC-I submitted to P&D Department for Approval.

Appendix 2

Per PP, Package Number and Name of Contract / Lot	Estimated Value (Inclusive of Tax) $	Detailed Engineering Design		Social DDR approved		Environment DDR approved		LARP/RP submitted to ADB		ADB Approval of LARP/RP		IEE/EIA preparation		ADB approval of IEE/EIA		Remarks
		Planned	Actual	Planned	Actual	Planned	Actual	Planned	Actual	Planned	Actual	Planned	Actual	Planned	Actual	
PICIIP-29-Miscellaneous Civil Works Miscellaneous Civil Works for SWM Site Sialkot (parking sheds, stores etc)	150,000	Q3/2020	-	-	-	-	-	-	-	-	-	-	-	-	-	PC-I under preparation.
Indicative Packages																
PICIIP-04-Road Upgradation Upgradation of existing roads, footpaths, signaling, green belts open spaces and parks																Urban Mobility Design and Supervision Consultant is being hired by PICIIP to design this package.
Lot 1: Upgradation work in Sahiwal	*5,000,000*	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Lot 2: Upgradation work in Sialkot	*5,000,000*	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
PICIIP-05 SCADA Installation of SCADA	2,000,000															Hiring of consultant for smart city initiative is in planned by Q3/2020. Project

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Per PP, Package Number and Name of Contract / Lot	Estimated Value (Inclusive of Tax) $	Detailed Engineering Design		Social DDR approved		Environment DDR approved		LARP/RP submitted to ADB		ADB Approval of LARP/RP		IEE/EIA preparation		ADB approval of IEE/EIA		Remarks
		Planned	Actual	Planned	Actual	Planned	Actual	Planned	Actual	Planned	Actual	Planned	Actual	Planned	Actual	
Lot 1: Sahiwal DNI Zone: Installation of SCADA System	*1,000,000*	-	-	-	-	-	-	-	-	-	-	-	-	-	-	design will be finalized afterwards.
Lot 2: Sialkot DNI Zone: Installation of SCADA System	*1,000,000*	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
PICIIP-06 Water Meters Supply of postpaid and pre-paid meters	2,000,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	ODBM consultant (yet to be hired) to formulate mechanism for installation of water meters.
Lot 1: Sahiwal: Supply of 6,400 postpaid, 600 prepaid meters	*1,000,000*	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Lot 2: Sialkot: Supply of 8,800 postpaid, 800 prepaid meters	*1,000,000*	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
PICIIP-08B-Sahiwal-	7,000,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	

Appendix 2

Per PP, Package Number and Name of Contract / Lot	Estimated Value (Inclusive of Tax) $	Detailed Engineering Design		Social DDR approved		Environment DDR approved		LARP/RP submitted to ADB		ADB Approval of LARP/RP		IEE/EIA preparation		ADB approval of IEE/EIA		Remarks
		Planned	Actual	Planned	Actual	Planned	Actual	Planned	Actual	Planned	Actual	Planned	Actual	Planned	Actual	
WWTP Construction of Treated Water Conveyance System for Wastewater Treatment Plant (WWTP) in North Zone, Sahiwal																
PICIIP-09-SKT-Bus Terminal Construction of Bus Terminal In Sialkot	*1,900,000*	-	-	-	-	-	-	-	-	-	-	-	-	-	-	Site identification to be done by MC.
PICIIP-10-SWL-Bus Terminal Construction of Bus Terminal In Sahiwal	4,000,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	Urban Mobility Design and Supervision Consultant is being hired by PICIIP to design this package.
PICIIP-22-Establishment of Smart City Establishment of Smart City	2,000,000															Smart city consultant is to be hired to design this package.

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Per PP, Package Number and Name of Contract / Lot	Estimated Value (Inclusive of Tax) $	Detailed Engineering Design		Social DDR approved		Environment DDR approved		LARP/RP submitted to ADB		ADB Approval of LARP/RP		IEE/EIA preparation		ADB approval of IEE/EIA		Remarks
		Planned	Actual	Planned	Actual	Planned	Actual	Planned	Actual	Planned	Actual	Planned	Actual	Planned	Actual	
Intervention, AMIS,MIS, City Central Control Room, Municipal Complaint Management and Re-address System, development of dashboards for monitoring & evaluation																
Lot 1: Establishment of Smart City Intervention in Sahiwal	*1,000,000*	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Lot 2: Establishment of Smart City Intervention in Sialkot	*1,000,000*	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
PICIIP-23-Smart City Equipment Smart City Equipment	2,000,000															Smart city consultant is to be hired to design this package
Lot 1: Sahiwal IT	*1,000,000*	-	-	-	-	-	-	-	-	-	-	-	-	-	-	

Appendix 2

Per PP, Package Number and Name of Contract / Lot	Estimated Value (Inclusive of Tax) $	Detailed Engineering Design		Social DDR approved		Environment DDR approved		LARP/RP submitted to ADB		ADB Approval of LARP/RP		IEE/EIA preparation		ADB approval of IEE/EIA		Remarks
		Planned	Actual	Planned	Actual	Planned	Actual	Planned	Actual	Planned	Actual	Planned	Actual	Planned	Actual	
Equipment, Software etc																
Lot 2: Sialkot IT Equipment, Software etc	*1,000,000*	-	-	-	-	-	-	-	-	-	-	-	-	-	-	

Appendix 2

Table A2.2: Status of Award of Works and Goods Contracts (Single Stage – One Envelop)

Per PP, Package Number and Name of Contract/Lot	Estimated Value (Inclusive of Tax) $	ICB/ NCB/ Shopping	IFB issued		BER to ADB		ADB Approval		Award of Contract		Intended Completion Date	Contract Amount (PKR million)	Remarks
			Planned	Actual	Planned	Actual	Planned	Actual	Planned	Actual			
Indicative Package													
PICIIP-23 Smart City Equipment	2,000,000	ICB											Smart city consultant is to be hired to design this package
Lot 1: Sahiwal IT Equipment, Software etc	1,000,000		-	-	-	-	-	-	-	-	-	-	
Lot 2: Sialkot IT Equipment, Software etc	1,000,000		-	-	-	-	-	-	-	-	-	-	

Appendix 2

Table A2.3: Status of Award of Works and Goods Contracts (Single Stage – Two Envelop)

Per PP, Package Number and Name of Contract/Lot	Estimated Value (Inclusive of Tax) $	ICB/ NCB	IFB Issued		Technical BER to ADB		ADB Approval		Final financial BER to ADB		ADB Approval		Award of Contract		Intended Completion Date	Contract Amount
			Planned	Actual	Planned	Actual	Planned	Actual	Planned	Actual	Planned	Actual	Planned	Actual		
Goods and Works Contracts Estimated to Cost $1 Million or More																
NCB-Works/PICIIP-01	5,500,000	NCB	Q2/2019	Q2/2019	Q2/2019	Q2/2019	Q2/2019	Q2/2019	Q3/2019	Q3/2019	Q3/2019	Q3/2019	Q3/2019	Q3/2019	24 October 2020	Lot 1: PKR 154.09 m Lot 2: PKR 308.20 m
ICB-Goods/PICIIP-02	6,500,000	ICB	Q2/2019	Q2/2019	Q2/2019	Q3/2019	Q2/2019	Q2/2019	Q3/2019	Q3/2019	Q3/2019	Q4/2019	Q4/2019	Q4/2019	30 October 2020	Lot1: $ 2.036 m Lot 2: $ 1.694 m Lot 3: $ 2.037 m
PICIIP-03-Sahiwal-Water and Sanitation Procurement of Water Supply and Sanitation, Water supply system, filtration plants, tubewells, OHRs and trunk main sewer, effluent pumping station and allied works	55,000,000															
Lot 1: North Zone (Water Supply) Water supply system, filtration plants, tubewells, OHRs, SCADA and allied works	14,200,000	NCB	Q2/2020	Q2/2020	Q3/2020	-	Q3/2020	-	Q3/2020	-	Q3/2020	-	Q3/2020	-	-	-
Lot 2: North Zone A (Sanitation)	14,200,000	NCB	Q2/2020	Q2/2020	Q3/2020	-	Q3/2020	-	Q3/2020	-	Q3/2020	-	Q3/2020	-	-	-

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Per PP, Package Number and Name of Contract/Lot	Estimated Value (Inclusive of Tax) $	ICB/ NCB	IFB Issued		Technical BER to ADB		ADB Approval		Final financial BER to ADB		ADB Approval		Award of Contract		Intended Completion Date	Contract Amount
			Planned	Actual	Planned	Actual	Planned	Actual	Planned	Actual	Planned	Actual	Planned	Actual		
Trunk main sewer lines and allied works																
Lot 3: North Zone B (Sanitation) Trunk main sewer Conduit, Inffluent pumping station and allied works	13,400,000	NCB	Q2/2020	Q2/2020	Q3/2020	-	Q3/2020	-	Q3/2020	-	Q3/2020	-	Q3/2020	-	-	-
Lot 4: South Zone (Water Supply and Sanitation) Water supply system, filtration plants, tubewells, OHRs, SCADA and trunk main sewer, Effluent pumping station and allied work	13,200,000	NCB	Q2/2020	Q2/2020	Q3/2020	-	Q3/2020	-	Q3/2020	-	Q3/2020	-	Q3/2020	-	-	-
PICIIP-04-A Road Up-gradation Upgradation /rehabilitation of exisiting roads, streets and pavements in Sahiwal	2,000,000	NCB	Q3/2020	-	Q4/2020	-	Q4/2020	-	Q4/2020	-	Q4/2020	-	Q4/2020	-	-	-
PICIIP-08A-Sahiwal-WWTP	11,500,000	ICB	Q3/2020	-	Q4/2020	-	Q4/2020	-	Q4/2020	-	Q4/2020	-	Q4/2020	-	-	-
PICIIP-11-Sialkot-Water and Sanitation Procurement of Works for	50,000,000															

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Per PP, Package Number and Name of Contract/Lot	Estimated Value (Inclusive of Tax) $	ICB/ NCB	IFB Issued		Technical BER to ADB		ADB Approval		Final financial BER to ADB		ADB Approval		Award of Contract		Intended Completion Date	Contract Amount
			Planned	Actual	Planned	Actual	Planned	Actual	Planned	Actual	Planned	Actual	Planned	Actual		
Rehabilitation / Improvement of Water Supply and Sewerage System in North Zone, Sialkot																
Lot 1: Sewerage Lines and Allied Works (Zone 3-A)	14,700,000	NCB	Q3/2020	-	Q4/2020	-	Q4/2020	-	Q4/2020	-	Q4/2020	-	Q4/2020	-	-	-
Lot 2: Pre-Cast RCC Conduits and Allied Works (Zone 3-B)	14,200,000	NCB	Q3/2020	-	Q4/2020	-	Q4/2020	-	Q4/2020	-	Q4/2020	-	Q4/2020	-	-	-
Lot 3: Influent Pumping station, Forcemain and Allied Works (Zone 3-C)	12,900,000	NCB	Q3/2020	-	Q4/2020	-	Q4/2020	-	Q4/2020	-	Q4/2020	-	Q4/2020	-	-	-
Lot 4: Water Supply System (Zone 3-D)	8,200,000	NCB	Q3/2020	-	Q4/2020	-	Q4/2020	-	Q4/2020	-	Q4/2020	-	Q4/2020	-	-	-
PICIIP-12 Sialkot-WWTP Construction of Wastewater Treatment Plant (WWTP) in North Zone, Sialkot	13,000,000	ICB	Q3/2020	-	Q4/2020	-	Q4/2020	-	Q4/2020	-	Q4/2020	-	Q4/2020	-	-	-
PICIIP-15 PLGA - Lala Musa Upgradation of Punjab Local Government Academy (PLGA) campus	2,000,000	NCB	Q1/2021	-	Q1/2021	-	Q1/2021	-	Q1/2021	-	Q1/2021	-	Q1/2021	-	-	-

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Per PP, Package Number and Name of Contract/Lot	Estimated Value (Inclusive of Tax) $	ICB/ NCB	IFB Issued		Technical BER to ADB		ADB Approval		Final financial BER to ADB		ADB Approval		Award of Contract		Intended Completion Date	Contract Amount
			Planned	Actual	Planned	Actual	Planned	Actual	Planned	Actual	Planned	Actual	Planned	Actual		
at Lala Musa																
Indicative packages																
PICIIP-04-Road Upgradation Upgradation of existing roads, footpaths, signaling, green belts open spaces and parks																
Lot 1: Upgradation work in Sahiwal	5,000,000	NCB	-	-	-	-	-	-	-	-	-	-	--	-	-	-
Lot 2: Upgradation work in Sialkot	5,000,000	NCB	-	-	-	-	-	-	-	-	-	-	--	-	-	-
PICIIP-05 SCADA Installation of SCADA	2,000,000															
Lot 1: Sahiwal DNI Zone: Installation of SCADA System	1,000,000	ICB	-	-	-	-	-	-	-	-	-	-	--	-	-	-
Lot 2: Sialkot DNI Zone: Installation of SCADA System	1,000,000	ICB	-	-	-	-	-	-	-	-	-	-	--	-	-	-
PICIIP-06 Water Meters Supply of postpaid and pre-paid meters	2,000,000															
Lot 1: Sahiwal Supply of 6,400 postpaid, 600 prepaid meters	1,000,000	ICB	-	-	-	-	-	-	-	-	-	-	--	-	-	-
Lot 2: Sialkot:	1,000,000	ICB	-	-	-	-	-	-	-	-	-	-	--	-	-	-

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Per PP, Package Number and Name of Contract/Lot	Estimated Value (Inclusive of Tax) $	ICB/ NCB	IFB Issued		Technical BER to ADB		ADB Approval		Final financial BER to ADB		ADB Approval		Award of Contract		Intended Completion Date	Contract Amount
			Planned	Actual	Planned	Actual	Planned	Actual	Planned	Actual	Planned	Actual	Planned	Actual		
Supply of 8,800 postpaid, 800 prepaid meters																
PICIIP-08B-Sahiwal-WWTP Construction of Treated Water Conveyance System for Wastewater Treatment Plant (WWTP) in North Zone, Sahiwal	7,000,000	ICB	-	-	-	-	-	-	-	-	-	-	--	-	-	-
PICIIP-09-SKT-Bus Terminal Construction of Bus Terminal In Sialkot	*1,900,000.*	ICB	-	-	-	-	-	-	-	-	-	-	--	-	-	-
PICIIP-10-SWL-Bus Terminal Construction of Bus Terminal In Sahiwal	4,000,000	NCB	-	-	-	-	-	-	-	-	-	-	--	-	-	-
PICIIP-22-Establishment of Smart City Establishment of Smart City Intervention, AMIS,MIS, City Central Control Room, Municipal Complaint Management and Re-address System,	2,000,000															

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Per PP, Package Number and Name of Contract/Lot	Estimated Value (Inclusive of Tax) $	ICB/ NCB	IFB Issued		Technical BER to ADB		ADB Approval		Final financial BER to ADB		ADB Approval		Award of Contract		Intended Completion Date	Contract Amount
			Planned	Actual	Planned	Actual	Planned	Actual	Planned	Actual	Planned	Actual	Planned	Actual		
development of dashboards for monitoring & evaluation																
Lot 1: Establishment of Smart City Intervention in Sahiwal	1,000,000	NCB	-	-	-	-	-	-	-	-	-	-	--	-	-	-
Lot 2: Establishment of Smart City Intervention in Sialkot	1,000,000	NCB	-	-	-	-	-	-	-	-	-	-	--	-	-	-

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Table A2.4: Status of Award of Works and Goods Contracts (Shopping method)

Per PP, Package Number and Name of Contract/Lot	Estimated Value (Inclusive of Tax) $	ICB/ NCB/ Shopping	RFQ issued		Evaluation of Quotation Approved		ADB Approval		Signing of Contract		Intended Completion Date	Award Amount	Remarks
			Planned	Actual	Planned	Actual	Planned	Actual	Planned	Actual			
PICIIP-24-PMU Establishment General Office, IT Equipment, Furniture and Fixtures, Office Repair and Communication & Media Equipment	450,000	Shopping	Q3/2020	-	Q3/2020	-	Q3/2020	-	Q3/2020	-	-	-	-
PICIIP-25-Miscellaneous SWM & WSS Goods	150,000	Shopping	Q3/2020	-	Q3/2020	-	Q3/2020	-	Q3/2020	-	-	-	-
PICIIP-26-Miscellaneous Civil Works for STP site Sahiwal (boundary wall, sheds etc)	100,000	Shopping	Q3/2020	-	Q3/2020	-	Q3/2020	-	Q3/2020	-	-	-	-
PICIIP-27-Miscellaneous Civil Works for SWM Site Sahiwal (parking sheds, stores etc)	150,000	Shopping	Q3/2020	-	Q3/2020	-	Q3/2020	-	Q3/2020	-	-	-	-
PICIIP-28-Miscellaneous Civil Works for STP site Sialkot (boundary wall, sheds etc)	100,000	Shopping	Q3/2020	-	Q3/2020	-	Q3/2020	-	Q3/2020	-	-	-	-
PICIIP-29-Miscellaneous Civil Works for SWM Site Sialkot (parking sheds, stores etc)	150,000	Shopping	Q3/2020	-	Q3/2020	-	Q3/2020	-	Q3/2020	-	-	-	-

Table A2.5: Implementation Progress of Works and Goods Contracts

Sr. No.	Per PP, Package Number and Name of Contract/Lot	ICB/ NCB	Award Date	Completion Date		Contract Amount		ADB Share	Disbursement / Paid till date		Physical Progress (%age)	Financial Progress (%age)
				Original	Revised (if any)	Original	Revised (if any)		Total	ADB Share		
1	NCB-Works/PICIIP-01 Lot 1: Up gradation of 03 existing Parks in Sahiwal	NCB	10 October 2019	24 October 2020	-	PKR 154,090,599	-	PKR 154,090,599	PKR 32,316,292	PKR 32,316,292	15.4	20.97
2	NCB-Works/PICIIP-01 Lot 2: Up gradation of 04 existing Parks in Sialkot	NCB	10 October 2019	24 October 2020	-	PKR 308,201,087	-	PKR 308,201,087	PKR 62,268,524	PKR 62,268,524	33.25	20.20
3	NCB-Works/PICIIP-14 Construction of Punjab Local Govt. Academy Lahore	NCB	27 November 2019	10 July 2021	-	PKR 1,863,801,178	-	PKR 1,863,801,178	PKR 429,142,125	PKR 429,142,125	16.16	23.03
4	ICB-Goods/PICIIP-02 Supply and Installation of Water and Sanitation Equipment Lot-1	ICB	31 October 2019	30 October 2020	-	US$ 2,036,269	-	US$ 2,036,269	US$ 203,627	US$ 203,627	-	10
5	ICB-Goods/PICIIP-02 Supply and Installation of Water and Sanitation Equipment Lot-2	ICB	31 October 2019	30 October 2020	-	US$ 1,694,107	-	US$ 1,694,107	US$ 169,411	US$ 169,411	4.81	10
6	ICB-Goods/PICIIP-02 Supply and Installation of Water and Sanitation Equipment Lot-3	ICB	31 October 2019	30 October 2020	-	US$ 2,037,736	-	US$ 2,037,736	US$ 203,774	US$ 203,774	-	10

Table A2.6: Status of Recruitment of Consultants (Firms)

Package Number	General Description	Inclusive Tax Value ($)	Recruitment Method	Proposal Type	EOIs published		Submission 1 to ADB		ADB approval		Submission 2 to ADB		ADB Approval		Submission 3 to ADB		Submission 4 to ADB		ADB Approval		Contract Signing	
					Planned	Actual	Planned	Actual	Planned	Actual	Planned	Actual	Planned	Actual	Planned	Actual	Planned	Actual	Planned	Actual	Planned	Actual
PICIIP-Cons_01	PMCPM Consultant	4,350,000	QCBS 90:10	FTP	Q3/2017	Q3/2017	PDWP deferred hiring of this consultancy with a decision to strengthen the PMU and subsequently the package is removed from the procurement plan approved by ADB after request of minor change from the Borrower..															
PICIIP-Cons_03	Operational design and business model (OBDM) consultant	2,500,000	QCBS 90:10	FTP	Q4/2019	Q2/2020	Q1/2020	-	Q1/2020	-	Q2/2020	-	Q2/2020	-	Q3/2020	-	Q3/2020	-	Q3/2020	-	Q3/2020	-
PICIIP-Cons_04	Audit and finance consultant	300,000	QCBS 80:20	BTP	Q3/2020	-	Q3/2020	-	Q3/2020	-	Q4/2021	-	Q4/2020	-	Q4/2020	-	Q4/2020	-	Q4/2020	-	Q4/2020	-
PICIIP-Cons_05A	Capacity building Of Local Government and Community Development Department	3,500,000	QCBS 80:20	FTP	Q3/2020	-	Q3/2020	-	Q3/2020	-	Q4/2021	-	Q4/2020	-	Q4/2020	-	Q4/2020	-	Q4/2020	-	Q4/2020	-
PICIIP-Cons_05B	Urban Mobility (Preparation of land use plan, urban transport plan and urban mobility planning) Design and Supervision Consultant (Firm)	3,000,000	QCBS 80:20	FTP	Q3/2020	-	Q3/2020	-	Q3/2020	-	Q4/2021	-	Q4/2020	-	Q4/2020	-	Q4/2020	-	Q4/2020	-	Q4/2020	-
PICIIP-Cons_06	Transaction advisory for Waste Water Treatment Plant (WWTP) - Public Private Partnership (PPP)	500,000	QCBS 80:20	BTP	Q1/2021	-	Q1/2021	-	Q1/2021	-	Q2/2021	-	Q2/2021	-	Q2/2021	-	Q2/2021	-	Q2/2021	-	Q2/2021	-

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Package Number	General Description	Inclusive Tax Value ($)	Recruitment Method	Proposal Type	EOIs published		Submission 1 to ADB		ADB approval		Submission 2 to ADB		ADB Approval		Submission 3 to ADB		Submission 4 to ADB		ADB Approval		Contract Signing	
					Planned	Actual	Planned	Actual	Planned	Actual	Planned	Actual	Planned	Actual	Planned	Actual	Planned	Actual	Planned	Actual	Planned	Actual
PICIIP-Cons_07	Hiring of Consultants for Smart Cities Initiative	1,500,000	QCBS 80:20	FTP	Q1/2020	-	Q1/2020	-	Q1/2020	-	Q1/2020	-	Q1/2020	-	Q2/2020	-	Q2/2020	-	Q2/2020	-	Q2/2020	-

Table A2.7: Status of Recruitment of Consultants (Individual Consultants)

Pack-age No	Individual Consultant Position	Estimated Amount	Milestone Dates												Contract Amount (PKR) (Inclusive Of all taxes)
			EOI publishing		Submission 1 to ADB		ADB Approval		Submission 2 ADB		ADB Approval		Contract Award		
			Planned	Actual	Planned	Actual	Planned	Actual	Planned	Actual	Planned	Actual	Planned	Actual	
PICIIP-Cons_01A	**Individual Consultants**	**$ 1.00 Million**													
I.C.S/ PICIIP_Cons-1/2020-(ES)	Environment Specialist (Ms. Humaira Qasim Khan)	59,952 PKR	Q1/2020	Q1/2020	Q1/2020	Q2/2020	Q1/2020	Q2/2020	Q1/2020	Q2/2020	Q1/2020	Q2/2020	Q1/2020	Q2/2020	6,920,676
I.C.S/ PICIIP_Cons-1/2020-(GS)	Gender Specialist (Ms. Zahra Tul Fatima)	36,554 PKR	Q1/2020	Q1/2020	Q1/2020	Q2/2020	Q1/2020	Q2/2020	Q1/2020	Q2/2020	Q1/2020	Q2/2020	Q1/2020	Q2/2020	4,321,464
I.C.S/ PICIIP_Cons-1/2020-(IDS)	Institutional Development Specialist (Mr. Ali Tariq)	50,637 PKR	Q1/2020	Q1/2020	Q1/2020	Q2/2020	Q1/2020	Q2/2020	Q1/2020	Q2/2020	Q1/2020	Q2/2020	Q1/2020	Q2/2020	7,898,730
I.C.S/ PICIIP_Cons-1/2020-(P&CMS)	Procurement & Contracts Specialist (Mr. Mohsen Islam Khan)	53,171 PKR	Q1/2020	Q1/2020	Q1/2020	Q2/2020	Q1/2020	Q2/2020	Q1/2020	Q2/2020	Q1/2020	Q2/2020	Q1/2020	Q2/2020	7,014,462
I.C.S/ PICIIP_Cons-1/2020-(SSS	Social Safeguard Specialist (Mr. Abdul Hameed)	62,946 PKR	Q1/2020	Q1/2020	Q1/2020	Q2/2020	Q1/2020	Q2/2020	Q1/2020	Q2/2020	Q1/2020	Q2/2020	Q1/2020	Q2/2020	9,870,672

Appendix 2

Table 2.8: List of Awarded Contracts
All Contracts – Works, Goods, Consultants

Pack-age No	Package Description	Actual Contract Amount		Contract Award Date	Completion Date		Disbursement	
		Original	Revised		Original	Revised/Actual	Total	ADB Share
A. Works								
NCB-Works/PICIIP-01	Lot 1: Up gradation of 03 existing Parks in Sahiwal	PKR 154,090,599	-	10 October 2019	24 October 2020	-	PKR 32,316,292	PKR 32,316,292
NCB-Works/PICIIP-01	Lot 2: Up gradation of 04 existing Parks in Sialkot	PKR 308,201,087	-	10 October 2019	24 October 2020	-	PKR 62,268,524	PKR 62,268,524
NCB-Works/PICIIP-14	Construction of Punjab Local Govt. Academy Lahore	PKR 1,863,801,178	-	27 November 2019	10.06.2021	-	PKR 429,142,125	PKR 429,142,125
B. Goods								
ICB-Goods/PICIIP-02	Supply and Installation of Water and Sanitation Equipment Lot-1	US$ 2,036,269	-	31 October 2019	30 October 2020	-	US$ 203,627	US$ 203,627
ICB-Goods/PICIIP-02	Supply and Installation of Water and Sanitation Equipment Lot-2	US$ 1,694,107	-	31 October 2019	30 October 2020	-	US$ 169,411	US$ 169,411
ICB-Goods/PICIIP-02	Supply and Installation of Water and Sanitation Equipment Lot-3	US$ 2,037,736	-	31 October 2019	30 October 2020	-	US$ 203,774	US$ 203,774
C. Consultants								
Firms								
PICIIP-Cons_02	Engineering, procurement, and construction management (EPCM) consultant	PKR 372.825 Million	PKR 587.068 Million	18 April 2018	30 April 2021	-	PKR 286,369,892	PKR 286,369,892
Individual Consultants								
I.C.S/PICIIP_Cons-1/2020-(ES)	Individual Consultants (Environment Specialist)	PKR 6,920,676	-	22 April 2020	20 April 2020	-	PKR 174,000	PKR 174,000
I.C.S/PICIIP_Cons-1/2020-(GS)	Individual Consultants (Gender Specialist)	PKR 4,321,464	-	21 April 2020	20 October 2021	-	PKR 174,000	PKR 174,000
I.C.S/PICIIP_Cons-1/2020-(IDS)	Individual Consultants (Institutional Development Specialist)	PKR 7,898,730	-	20 April 2020	20 April 2021	-	PKR 1,190,874	PKR 1,190,874
I.C.S/PICIIP_Cons-1/2020-(P&CMS)	Individual Consultants (Procurement & Contracts Management Specialist)	PKR 7,014,462	-	21 April 2020	20 April 2022	-	PKR 162,400	PKR 162,400
I.C.S/PICIIP_Cons-1/2020-(SSS)	Individual Consultants (Social Safeguard Specialist)	PKR 9,870,672	-	21 April 2020	20 April 2020	-	-	

Appendix 3

Project Expenditure

Table A3.1: Summary Project Expenditure By Components[1]
($ million)

Item	Amount as Approved	Amount Utilized Until Last Quarter (Q1 2020)	During Current Quarter (Q2 2020)	Cumulative Utilization
A. Investment Cost				
Land Acquisition and Resettlement	1.150	6.122	-	6.122
Environment	0.030	-	-	-
Equipment	84.000	0.577	-	0.577
Civil Works	97.600	2.905	1.407	4.312
Consulting Services – Project Implementation	9.570	1.521	0.761	2.281
Consulting Services – Capacity Development	9.620	-	-	-
Subtotal (A)	**201.970**	**11.125**	**2.168**	**13.293**
B. Recurrent Costs				
Project Management	3.000	0.903	0.164	1.067
Subtotal (B)	**3.000**	**0.903**	**0.164**	**1.067**
Total Base Cost	**204.970**	**12.028**	**2.333**	**14.360**
C. Contingencies				
Physical	20.730	0.012	0.008	0.020
Price	9.060			
Subtotal (C)	**29.790**	**0.012**	**0.008**	**0.020**
D. Financial Charges During Implementation	15.240	0.897	0.316	1.213
Total Project Cost* (A + B + C + D)	**250.000**	**12.936**	**2.656**	**15.593**

*Total project cost includes Interest & Commitment Charges till Q2, 2020.

Table A3.2: Summary Project Expenditure by Financier
($ million)

Item	ADB		Govt.		Total	
	As Approved	Actual	As Approved	Actual	As Approved	Actual
A. Investment Costs						
Land Acquisition and Resettlement	-	-	1.150	6.122	1.150	6.122
Environment	-	-	0.030	-	0.030	-
Equipment	84.000	0.577	-	-	84.000	0.577
Civil Works	97.600	4.312	-	-	97.600	4.312
Consulting Services - Project Implementation	9.570	2.281	-	-	9.570	2.281
Consulting Services - Capacity Development	5.830	-	3.790	-	9.620	-
Subtotal(A)	**197.000**	**7.170**	**4.970**	**6.122**	**201.970**	**13.293**
B. Recurrent Costs						
Project Management	3.000	1.067	-	-	3.000	1.067
0 **Subtotal(B)**	**3.000**	**1.067**	**-**	**-**	**3.000**	**1.067**
Total Base Cost	**200.000**	**8.238**	**4.970**	**6.122**	**204.970**	**14.360**
C. Contingencies						
Physical	-	-	20.730	0.020	20.730	0.020
Price	-	-	9.060	-	9.060	-
Subtotal(C)	**-**	**-**	**29.790**	**0.020**	**29.790**	**0.012**
D. Financial Charges During Implementation	-	-	15.240	1.213	15.240	1.213
Total Project Cost (A + B + C + D)	**200.000**	**8.238**	**50.000**	**7.355**	**250.000**	**15.593**
% of Total Project Cost		4.12%		14.71%		6.24%

ADB = Asian Development Bank; GoPb = Government of Punjab.

[1] Including ADB Loan, and Government share.

Table A3.3: Project Expenditure by Outputs
($ million)

Item	Total Cost	Total Utilized	Output 1		Output 2		Output 3		Output 4	
			As Approved	Actual	As Approved	Actual	As Approved	Actual	As Approved	Actual
A. Investment Cost										
Land Acquisition and Resettlement	1.150	6.122	-	-	1.150	6.122	-	-	-	-
Environment	0.030	-	-	-	-	-	0.030	-	-	-
Equipment	84.000	0.577	14.720	-	39.420	0.577	29.870	-	-	-
Civil Works	97.600	4.312	11.240	-	8.570	-	74.020	0.778	3.770	3.534
Consulting Services - Project Implementation	9.570	2.281	-	-	-	-	-	-	9.570	2.281
Consulting Services- Capacity Development	9.620	-	-	-	-	-	-	-	9.620	-
Subtotal (A)	**201.980**	**13.293**	**25.960**	**-**	**49.140**	**6.699**	**103.920**	**0.778**	**22.960**	**5.816**
B. Recurrent Costs										
Project Management	3.000	1.067	-	-	-	-	-	-	3.000	1.067
Subtotal (B)	**3.000**	**1.067**	**-**	**-**	**-**	**-**	**-**	**-**	**3.000**	**1.067**
Total Base Cost with Taxes	**204.980**	**14.360**	**25.960**	**-**	**49.140**	**6.699**	**103.920**	**0.778**	**25.960**	**6.883**
C. Contingencies										
Physical	20.720	0.020	2.620	-	4.970	0.002	10.510	-	2.620	0.018
Price	9.060	-	1.150	-	2.170	-	4.590	-	1.150	-
Subtotal (C)	**29.780**	**0.020**	**3.770**	**-**	**7.140**	**0.002**	**15.100**	**-**	**3.770**	**0.018**
D. Financial Charges During Implementation	15.240	1.213	1.930	-	3.650	-	7.730	-	1.930	-
Total Project Cost (A + B + C + D)	**250.000**	**15.593**	**31.660**	**-**	**59.930**	**6.701**	**126.750**	**0.778**	**31.660**	**6.901**

Note: The output wise distribution of Financial Charges during Implementation is not available, therefore, amount entered in total column only.

Appendix 3

Table A3.4: Detailed Cost Estimates by Year
($ million)

Table A3.4: Detailed Cost Estimates by Year										
($ Million)										
Item	**Total**		**2018**		**2019**		**2020**		**2021**	
	Projected	**Actual**	**Projected**	**Actual**	**Projected**	**Actual**	**Projected**	**Actual**	**Projected**	**Actual**
A. Investment Costs										
Land Acquisition and Resettlement	1.150	6.122	1.150	-	-	-	-	6.122	-	-
Environment	0.030	-	0.010	-	0.010	-	0.010	-	0.010	-
Equipment	84.000	0.577	8.400	-	16.800	0.577	42.000	-	16.800	-
Civil Works	97.600	4.312	9.760	-	19.520	2.872	39.040	1.440	29.280	-
Consulting Services - Project Implementation	9.570	2.281	0.960	0.393	1.910	0.939	3.830	0.950	2.870	-
Consulting Services- Capacity Development	9.620	-	1.070	-	2.050	-	3.700	-	2.800	-
Subtotal (A)	**201.970**	**13.293**	**21.350**	**0.393**	**40.290**	**4.388**	**88.580**	**8.512**	**51.760**	**-**
B. Recurrent Costs										
Project Management	3.000	1.067	0.750	0.242	0.750	0.512	0.750	0.313	0.750	-
Subtotal (B)	**3.000**	**1.067**	**0.750**	**0.242**	**0.750**	**0.512**	**0.750**	**0.313**	**0.750**	**-**
Total Base Cost	**204.970**	**14.360**	**22.100**	**0.635**	**41.040**	**4.900**	**89.330**	**8.825**	**52.510**	**-**
C. Contingencies										
Physical	20.740	0.020	2.280	-	4.260	0.001	8.920	0.019	5.270	-
Price	9.060	-	-	-	-	-	-	-	9.060	-
Total Contingency	**29.800**	**0.020**	**2.280**	**-**	**4.260**	**0.001**	**8.920**	**0.019**	**14.330**	**-**
D. Financial Charges During Implementation	15.230	1.213	1.640	0.267	3.050	0.630	6.650	0.316	3.890	-
Total Project Cost (A + B + C + D)	**250.000**	**15.593**	**26.020**	**0.901**	**48.350**	**5.531**	**104.900**	**9.160**	**70.730**	**-**
% Total Project Cost		6.24%		3.46%		11.44%		8.732%		-

Note: US$ 1 = Rs. 150 has been assumed for local share conversion, where actual rate not available.

Update on Design Monitoring Framework

Table A4.1 Update on Outcome

Outcome: Access to quality urban services by the residents of Sialkot and Sahiwal cities.

Indicator	Unit of measure-ment	Baseline Value as in 2016	Target value/ year as per original DMF	Target value/ year as per Revised DMF	Achieved	Remarks / Progress
a. Total population in Sahiwal city consuming improved water supplies increased from existing 36% to 70% in 2023.	Percent	36	70/ 2024	65/ 2024	Not yet	*Detailed Engineering Design prepared. Project advertised in Q2/2020.*
b. Total population in Sialkot city consuming improved water supplies increased from existing 50% to 70% in 2023.	Percent	50	70/ 2024	60/ 2024	Not yet	*Detailed Engineering Design prepared. Project will be Ready for advertisement in Q3/2020*
c. Volume of wastewater treatment increased to at least 80,000 cubic meters per day in Sahiwal (2016 baseline: 0)	Percent	0	80,000m^3/ 2024	111,694m^3/ 2024	Not yet	*Detailed Engineering Design prepared. Project advertised in Q2/2020.*
d. Volume of wastewater treatment increased to at least 80,000 cubic meters per day in Sialkot (2016 baseline: 0)	Percent	0	0/ 2024	166,905m^3/ 2024	Not yet	*Detailed Engineering Design prepared. Project will be Ready for advertisement in Q3/2020*
e. Percentage of intercity travelers using bus terminals in Sahiwal city increased from 25%to 30% in 2023.	Percent	25	30/ 2023	30/ 2023	Not yet	Optimum place for bus terminal will be decided after land use master planning.
f. Percentage of intercity travelers using bus terminals in Sialkot city increased from 24% to 30% in 2023.	Percent	24	30/ 2023	30/ 2023	Not yet	Optimum place for bus terminal will be decided after land use master planning.

Risk	**Assessment of Current Status of Risk**
Commitment to infrastructure development diminishes at the city and provincial level	*Cities and province are committed towards infrastructure development*

Problems with Outcome

Problem	**Action Taken / Proposed to be Taken**
a. Land acquisition for WWTP	Land Acquisition in process
b. Land Acquisition for bus terminals	Case will be taken up in Board of revenue for land acquisition once after finalization of land

Progress Towards Outcome (For Disclosure to ADB Website)

The PC-I of Sahiwal Water Supply and Sanitation projects has been principally approved by Provincial Development Working Party. Cost clearance due after revision of estimate on 1st biannual of MRS 2020. Detailed design has been completed; The Project is advertised in Q2/2020. Bid evaluation in process targeting project award in Q4/2020.
The revised master plan of Sialkot Water Supply and Sanitation is prepared incorporating 5 UCs coming under revised boundary of Municipal Corporation. PC-I for the project is submitted to P&D dept. for PDWP approval.

Table A4.2: Update on Output 1

Output 1 Water supply systems improved **Indicator**	**Unit of measure-ment**	**Baseline Value as in 2016**	**Target by 2023 As per original DMF**	**Target by 2023 as per revised DMF**	**Achieved**	**Remarks / Progress**
1a. 22 water reservoirs, 114 boreholes and tubewells, 20 pumping stations built or rehabilitated, and 350 km water pipes installed, new supervisory control and data administration system established						*For Sahiwal: Detailed Engineering Design prepared. Project advertised in Q2/2020, bid evaluation in process.*
- Water Reservoir	Number	0	22	16	-	
- Boreholes/tubewells		0	114	114	-	*For Sialkot: Detailed Engineering Design is prepared. Project will be Ready for advertisement in Q3/2020*
- Pumping stations		0	20	0	-	
- Filtration Plants		0	0	45	-	
- Water pipes	Kilometers	n.a	350	797.3	-	
- SCADA installed	Yes/No	No	Yes	Yes	-	
1b. Extent of metered water supply connections increased (Baseline/Target: both cities 1% to 70% in pilot zone)					-	*ODBM consultant yet to be hired for finalizing the mechanism for metered connections installations.*
- Sahiwal	Percent	1	70	70		
- Sialkot		1	70	70	-	*ODBM consultant yet to be hired for finalizing the mechanism for metered connections installations.*
1c. 500 prepaid water meters in Sahiwal, 700 in Sialkot installed		0	1,200	1200	-	
- Sahiwal	Number	0	500	500		*ODBM consultant yet to be hired for finalizing the mechanism for metered connections installations.*
- Sialkot		0	700	700	-	*ODBM consultant yet to be hired for finalizing the mechanism for metered connections installations.*
1d. Average ratio of non-revenue water (NRW) reduced to 25% (Baseline: Sahiwal = 30%; Sialkot = 30%)					-	*ODBM consultant yet to be hired for finalizing the mechanism for metered connections installations.*
- Sahiwal	Percent	30	25	25		
- Sialkot		30	25	25	-	*ODBM consultant yet to be hired for finalizing the mechanism for metered connections installations.*

Recent Development (During the Quarter under Report)

The PC-I of Sahiwal Water Supply and Sanitation projects has been approved by Provincial Development Working Party. Detailed design has been completed; Project advertised in Q2/2020, bid evaluation process.
The revised master plan of Sialkot Water Supply and Sanitation is prepared while incorporating 5 UCs lying under revised boundary of Municipal Corporation. PC-I was submitted to P&D for approval in Q2/2020 and after getting approval from PDWP, the project will be advertised for procurement by Q3/2020.

Update on Activities

Activity and Target Completion	**Completed (Yes/No)**	**Current Status**
1.1 Complete detailed engineering design for water supply and distribution systems (Q1 2018)	No	*For Sahiwal: Detailed Engineering Design prepared. Project advertisement in Q2/202, bid evaluation in process.* *For Sialkot: Detailed Engineering Design prepared. Project will be Ready for advertisement in Q3/2020*.

1.2	Replace turbine pumps and motors in Sialkot (Q2 2019)	No	DED prepared
1.3	Develop distribution network improvement zones and nonrevenue water program in selected zones, including installation of SCADA system, bulk meters, pressure gauges, and prepaid meters (Q2 2019)	No	DED to be prepared, awaiting Smart City Consultant and ODBM consultant for project design.
1.4	Construct new OHRs and new pumping stations with disinfection units (Q4 2019)	Not yet due	DED prepared
1.5	Rehabilitate existing tube wells and existing OHRs (Q4 2019)	Not yet due	DED prepared
1.6	Replace water supply pipelines with polyethylene pipes, and asbestos cement pipe (Q4 2019)	Not yet due	DED prepared for Sahiwal, ready for advertisement. DED prepared for Sialkot
1.7	Hand over complete set of assets to urban service companies (Q2 2023)	Not yet due	-

Table A4.3: Update on Output 2

Output 2 Sanitation systems improved

Indicator	Unit of measure-ment	Baseline Value as in 2016	Target by 2023 As per original DMF	Target by 2023 as per revised DMF	Achieved	Remarks / Progress
2a. 18 wastewater (WW) pumping stations installed or rehabilitated; 40 km of sewer pipes replaced (2016 baseline: 0)						
- WW pumping stations	Number	0	18	3	0	*Detailed Engineering Design ready*
- Sewer pipes replaced	Kilometers	0	40	150	0	*Detailed Engineering Design ready*
2b. Centralized wastewater treatment plant constructed in Sahiwal (2016 baseline: 0)	Yes/No	0	Yes	Yes	0	*Detailed Engineering Design ready*
2c. Untreated wastewater for irrigation not used (2016 baseline: used)	Yes/No	No	Yes	Yes	0	*Detailed Engineering Design ready*

Recent Development (During the Quarter under Report)

The PC-I of Sahiwal Water Supply and Sanitation projects has been approved by Provincial Development Working Party. Detailed design has been completed; Project advertised in Q2/2020, bid evaluation process.
The revised master plan of Sialkot Water Supply and Sanitation is prepared, incorporating 5 UCs lying under revised boundary of Municipal Corporation added at the later stage. PC-I was submitted to P&D for approval in Q2/2020 and after getting approval from PDWP, the project will be advertised for procurement by Q3/2020.

Update on Activities

Activity and Target Completion	Progress (Yes/No/Partial)	Current Status
2.1 Complete detailed engineering design for wastewater treatment system improvement (Q2 2018)	Yes	*Detailed Engineering Design Prepared*
2.2 Procure solid waste management equipment (Q2 2018)	Partial	The package was awarded in October 2019. 1st delivery of goods has been made, aiming the project completion by Oct 2020.
2.3 Provide missing equipment for wastewater management (Q4 2018)	No	Detailed Engineering Design completed for both Sahiwal and Sialkot
2.4 Rehabilitate disposal stations (Q2 2019)	Not yet due	Detailed Engineering Design completed for Sahiwal , Detailed Engineering Design completed for Sialkot
2.5 Replace sewer pipes (Q4 2019)	Not yet due	Detailed Engineering Design completed for Sahiwal,

		Detailed Engineering Design completed for Sialkot
2.6 Rehabilitate disposal and pumping stations (Q1 2020)	Not yet due	Detailed Engineering Design completed for Sahiwal, Detailed Engineering Design completed for Sialkot
2.7 Construct centralized wastewater treatment plant with trunk mains and conveyance system in Sahiwal (Q2 2020)	Not yet due	Detailed Engineering Design in process for both Sahiwal and Sialkot
2.8 Provide missing equipment for wastewater management in Sialkot (Q1 2020)	Not yet due	Detailed Engineering Design prepared
2.9 Hand over complete set of assets to urban service companies (Q2 2023)	Not yet due	ODBM consultant to be hired for formulating mechanism of company formation.

Table A4.4: Update on Output 3

Output 3	Urban public spaces improved					
Indicator	**Unit of measure-ment**	**Baseline Value as in 2016**	**Target by 2023 As per original DMF**	**Target by 2023 as per revised DMF**	**Achieved**	**Remarks / Progress**
3a. 11 parks and 7 km of greenbelts rehabilitated, with at least one outdoor space for women's sports (2016 baseline: 0)						*The package for upgradation of Parks, PICIIP-01/NCB-Works was Awarded in October 2019. No outdoor space for Women's sports is yet designed, It will be incorporated at later stage.*
- Parks	Number	0	11	11	0	
- Green belts	kilometers	0	7	7	0	**Planning stage**
3b. Three bus terminals upgraded in Sahiwal and Sialkot, with separate waiting areas and toilets for women (2016 baseline: 0)	Number	0	3	2	0	**Planning stage**
3c. At least 8 km (4 km in each city) of pedestrian footpaths upgraded (2016 baseline: 0)	Number	0	8	8		
- Sialkot	Kilometers	0	4	4	0	**Planning stage**
- Sahiwal	kilometers	0	4	4	0	**Planning stage**

Recent Development (During the Quarter under Report)

Works on 11 parks is on-going.

Update on Activities

Activity and Target Completion	**Progress (Yes/No)**	**Current Status**
3.1 Complete detailed engineering design for public space upgrading (Q2 2018)	Yes	Parks DED is completed
3.2 Rehabilitate six parks and two greenbelts in Sahiwal (Q4 2018)	Yes	After consultation with PHA Sahiwal and considering city needs, three parks were selected for upgradation for which civil works is in progress.
3.3 Improve city public transport routes and footpaths with traffic signals at road crossings, with adaptive traffic control and two bus terminals in Sahiwal and Sialkot (Q2 2021)	Not yet due	Planning Stage
3.4 Rehabilitate five parks and one greenbelt in Sialkot (Q4 2019)		After consultation with PHA Sialkot and considering city needs, four parks were selected for upgradation, which is under execution now.
3.5 Hand over complete set of assets to urban service companies (Q2 2023)	Not yet due	ODBM consultant to be hired for formulating mechanism of company formation.

Table A4.5: Update on Output 4

Output 4	Institutional support and capacity developed				
Indictor	**Unit of measure-ment**	**Baseline Value as in 2016**	**Target by 2023**	**Achieved**	**Remarks / Progress**
4a. At least 160 staff (80 in each city) completed the newly developed capacity development program (2016 baseline: 0)	Number	0	160	0	Consultancy for capacity development is yet to be hired. TORs are under preparation, will be advertised in Q3/2020.
- Sahiwal		0	80	0	
- Sialkot		0	80	0	
4b. Six program communication activities organized (three activities in each city)	Events	0	6	0	Communication activities will be organized in Q2/ 2020. When WATSAN project will be near to award.
- Sahiwal		0	3	0	
- Sialkot		0	3	0	
4c. Among all technical and financial management staff of the PMU and CIUs and Water Sanitation Company (at least 20% are women) trained	Staff	0	75	0	Trainings are an on-going process for technical and financial management. Please refer to GAP Quarterly report.
- Male		0	60	0	
- Female		0	75	0	

Recent Development (During the Quarter under Report)

The work on Punjab Local Government Academy Lahore is in Progress and is expected to be completed by June 10, 2021.
TORs of capacity building consultants are under preparation which will be advertised by Q2/2020.

Update on Activities

Activity and Target Completion	**Progress (Yes/No)**	**Current Status**
4.1 Build capacity of urban services institutions to implement the project effectively (during implementation)	No	On-going
4.2 Establish project management unit and city implementation units (Q3 2017)	Yes	PMU and CIUs are established and hiring is in process for vacant seats.
4.3 Issue request for proposal for the recruitment of project management and coordination; and engineering, procurement, and construction packages (Q3 2017)	Yes	PMU had completed the selection process for PMCPM consultancy in Q2 2018 but PDWP has deferred the consultancy; EPCM consultant is hired since April 2018. In place of PMCPM, individual consultants are to be hired for which PC-I is under preparation.
4.4 Implement program communication activities with youth groups, schools, and civil society to promote awareness of project and life skills education (Q4 2017)	Yes	On-going.
4.5 Support improvement of operation and maintenance of key urban services, urban policies and planning, finance management, and tariff policies (Q1-Q4 2018)	No	In Process; after completion of WSS and SWM master plan, tariff policy will be devised and implemented in the cities with the assistance of ODBM consultant which is yet to be hired..
4.6 Develop project performance management system considering poverty, gender, environment and social development issues, management information system, geographic information system, and complaint management and reporting (Q2 2018)	No	Planning stage
4.7 Support the SMART city improvement (Q3 2018)	No	Planning stage
4.8 Provide training and send key staff to external training (Q2 2018)	Yes	Staff is sent for training as and when opportunities are provided by ADB and GoPb. Detail is presented in GAP quarterly progress report.

Note: The target value/ year as per Revised DMF are according to the revised outputs agreed for financing as per approval of request for minor change memo of the Borrower issued from ADB dated 12 May 2020.

Appendix 4

Table A4.5: Problems with Outputs

Output	Problem	Action taken or proposed to be taken.
1. Water supply systems improved	Cities lack planning and record availability. There are issues in all municipal sectors regarding capacity.	Master plans for 25 years are prepared for water and sanitation sectors for Sahiwal and Sialkot to avoid political influence on development packages.
2. Sanitation systems improved	Cities lack planning and record availability. There are issues in all municipal sectors regarding capacity.	Master plans for 25 years are prepared for water and sanitation sectors for Sahiwal and Sialkot to avoid political influence on development packages.
	Land acquisition for WWTP and disposal stations is in process.	No stone is being left unturned for smooth land acquisition. Social Safeguard teams visit the AP regularly and response to each and every complaint receives. A 3 tier GRM is devised for complaint handling and addressing.
3. Urban public spaces improved	City traffic trends have been changed by recent development of motorways. City Municipal Corporations have not yet decided the sites for bus terminals.	Land use /transport master planning would be required for site selection that can be done under the urban mobility consultancy added in proposed procurement plan.
4. Institutional support and capacity development	Devising the Tors for capacity building consultancy hiring	TORs are being prepared with full coordination with the LG&CD department, also PMU has hired Institutional development specialist for preparation of Capacity Building TORs and allied tasks.

Appendix 6

Contribution to Results Framework

No	Level 2 Results Framework Indicators (Outputs and Outcomes)	Target	Actual	Current /Status
1	Households with new or improved water supply (number)			
	- Sahiwal	74,000	0	DED Prepared.
	- Sialkot	150,000	0	DED Prepared
2	Households with new or improved sanitation (number)			
	- Sahiwal	63,000	0	DED Prepared
	- Sialkot	130,000	0	DED Prepared
3	Wastewater treatment capacity added or improved in Sahiwal (cubic meters per day)	91,000	0	DED Prepared
4	Water supply pipes installed or upgraded (length of network in kilometers)			
	- Sahiwal	78	0	DED Prepared
	- Sialkot	312	0	DED Prepared
5	Households in Sahiwal with reduced flood risk (number)	45,000	0	Planning Stage
6	Use of roads built or upgraded (average daily vehicle-kilometers in the first full year of operation)			
	- Sahiwal	6.79	0	Planning Stage
	- Sialkot	17.13	0	Planning Stage
7	Roads built or upgraded - Provincial, district, and rural roads (kilometers)			
	- Sahiwal	41	0	Planning Stage
	- Sialkot	40	0	Planning Stage
8	Energy saved (terawatt-hour equivalent per year)			
	- Sahiwal	1.15	0	Planning Stage
	- Sialkot	0.92	0	Planning Stage

Appendix 6

Status of Compliance with Loan Covenants

Covenant	Reference in Loan/Project Agreement	Status of Compliance
1. The borrower shall relend the proceeds of the Loan to the Government of the Punjab under a subsidiary Loan Agreement with terms and conditions consistent with the Relending Policy, and the Government of the Punjab shall, in turn, grant a portion of the Loan to Sialkot and Sahiwal.	Section 3.01 (a), Article III, Loan Agreement (LA)	Complied with Prior to loan effectiveness, A relending notice was issued by Govt. of Pakistan to lend the loan money to Punjab and Subsidiary loan agreements have been signed between Sialkot and Sahiwal with Govt. of the Punjab
2. The Borrower shall cause the proceeds of the Loan to be applied exclusively to the the financing of expenditures on the project in accordance with the Provisions of this Loan Agreement and the project Agreement.	Section 3.01 (b), Article III, LA	Ongoing All expenditures are being made to finance the project activities in accordance with the provisions of this loan agreement. To be monitored throughout the project implementation.
3. The proceeds of the Loan shall be allocated and withdrawn in accordance with the provisions of schedule 3 to this Loan Agreement, As such schedule may be amended from time to time by agreement between the borrower amd ADB.	Section 3.02, Article III, LA	Ongoing The proceeds of the loan are allocated and withdrawn in accordance with the schedule To be monitored throughout project implementation.
4. Except as ADB may otherwise agree, the borrower shall procure, or cause to be procured, the items of expenditures to be financed out of the proceeds of the	Section 3.03, Article III, LA	Ongoing To be monitored throughout

Appendix 6

Covenant	Reference in Loan/Project Agreement	Status of Compliance
Loan in accordance with the provisions of schedule 4 to this Loan Agreement.		project implementation.
5. The Loan closing date for the purposes of section 9.02 of the Loan regulations shall be 30 June 2024 or such other date as may from time to time be agrees between the borrower and ADB.	Section 3.04, Article III, LA	Complied with. The loan closing date is intact so far.
6. In the carrying out of the Project and operation of the Project facilities, the Borrower shall perform, or cause to be performed, all obligations set forth in Schedule 5 to this Loan Agreement and the Project Agreement.	Section 4.01, Article IV, LA	Ongoing All necessary measures have been taken into account during project execution
7. The Borrower shall enable ADB's representatives to inspect the Project, the Goods and Works, and any relevant records and documents.	Section 4.02, Article IV, LA	Ongoing
8. ADB shall disclose the annual audited financial statements for the Project and the opinion of the auditors on the financial statements within 14 days of the date of ADB's confirmation of their acceptability by posting them on ADB's website.	Section 4.03, Article IV, LA	Ongoing
9. The Borrower shall take all actions, which shall be necessary on its part to enable the Project Executing Agency to perform its obligations under the Project Agreement, and shall not take or permit any action, which would interfere with the performance of such obligations.	Section 4.04, Article IV, LA	Ongoing
10. The Borrower shall exercise its rights under the Subsidiary Loan Agreement in such a manner as to protect the interests of the Borrower and ADB and to accomplish the purposes of the Loan.	Section 4.05 (a), Article IV, LA	Ongoing
11. No rights or obligations under the Subsidiary Loan Agreement shall be assigned, amended, abrogated or waived without the prior concurrence of ADB.	Section 4.05 (b), Article IV, LA	Ongoing disbursement condition mention
12. **Disbursement Procedures** Except as ADB may otherwise agree, the Loan proceeds shall be disbursed in accordance with the Loan Disbursement Handbook.	Para 4, Schedule 3 to LA	Complied with.
13. **Retroactive Financing** Withdrawals from the Loan Account may be made to fianance eligible expenditures incurred under the project for before the effective date but not	Para 5, Schedule 3 to	Complied with. PKR 15.948 million

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Covenant	Reference in Loan/Project Agreement	Status of Compliance
earlier than 12 months before the date of this Loan Agreement in connection with the project Management coordination, and performance management consulting Services, the Engineering Procurement, and construction managementt consulting services; the operatonal design and business model consulting Services; and the cost required for the establishment of the PMU and the CIU's, subject to maximun amount equivalent to 20% of the Loan amount.	LA	reimbursed to provincial treasury through Withdrawal Application through retroactive financing.
14. **Conditions of withdrawals from Laon Account** Not withstanding any other Provision of this Loan Agreement, no withdrawals shall be made from the Loan Account untill: a) the subsidiary Loan Agreement shall have been duly executed and delivered on behalf of the borrower and the government of the Punjab and shall have become legally binding upon them in accordance with its terms. b) The Punjab Grant Agreemet shall have been duly executed and delivered on behalf of the Government of the Punjab, Sialkot and Sahiwal and shall become legally binding upon them in accordance with their terms; c) Dedicated municipal finance staff shall have been recruited and engaged for the PMU and the CIU's and such staff shall have attending and completed the training prescribed by the PAM to be conducted in order to clarify the requirenments of the policies, rules and regulations of ADB regarding disbursement so that such staff shall be fully familiar with and knowledgeable about the said requirenments; d) A financial policies and procedures manual, as more particularly described in the PAM, shall have been issued for used by the PMU and CIU's; and e) A firm chartered Accountants, whose Qualifications, experience and terms of reeference are acceptable to ADB, shall have been engaged to perform the internal audit function of the PMU and CIU's as more particularly described in the PAM.	Para 6, Schedule 3 to LA	Partly complied with. Instead of hiring a chartered accountant firm, the PMU engaged an individual as internal auditor firm, and ADB accepted this arrangement and confirmed through a letter dated 21 June 2018 that all disbursement conditions have been met. In the revised PC-I for Establishment of PMU and CIUs for PICIIP, a full time post for Internal Auditor is approved, which is hired and working since July 2019. Also PMU will advertise the Audit and Finance Consultant opportunity in Q3/2020.
15. The procurement of Goods, works and consulting Services, shall be subject to and Governed by the Procurement guidelines, and the consulting gidelines, respectively.	Para 1, Schedule 4 to LA	Ongoing All procurement is being made in accordance with this covenant.

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Covenant	Reference in Loan/Project Agreement	Status of Compliance
16. Except as ADB may otherwise agree Goods and Works shall be procured and consulting services shall be selected and engaged only on the basis of the procurement method and the selection method set forth below. These methods are subject to, among other things, the detailed arrangements and threshold values set forth in the procurement plan. The borrower may only modify the procurement methods and the seelction method and threshold values with the prior agreement of ADB, and modifications must be set out in updated to the Procurement Plan.	Para 2, Schedule 4 to LA	Ongoing All procurement is being made in accordance with this covenant.
17. All terms used in this schedule and not otherwise defined in this Loan Agreement have the meanings provided in the Procurement Guidelines and/or the Consulting Guidelines, as applicable.	Para 3, Schedule 4 to LA	Complied
Goods and Works 18. Goods and works shall be procured on the basis of the procurement methods set forth below; (a) International Competitive Bidding (b) National Competitive Bidding; and (c) Shopping	Para 4, Schedule 4 to LA	Ongoing
<u>National Competitive Bidding</u> 19. The borrower and ADB shall ensure that, prior to the commencement of any procurement activity under national competitive bidding, the borrowers national competetive bidding procedures are consistent with the procurement Guidelines. Any modifications and clarifications to such procedures agreed between the Borrower and ADB shall be set out in the procurement plan. Any subsequent change to agreedmodifications and clarifications shall become effective only after approval of such change by the Borrower and ADB.	Para 5, Schedule 4 to LA	Ongoing
<u>Conditions for Award and contract</u> 20. Punjab shall not award any Works contract which involves environment impacts untill; a) The Punjab Environmental Protection agency has granted the final approval of the relevant IEE; and b) Punjab has incorporated the relevant provisions from the relevant EMP into the works contract.	Para 6, Schedule 4 to LA	Ongoing To be monitored until award of all civil works contracts.
21. Subject to Paragraph B below, Punjab shall not award any Works contrat for a		

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Covenant	Reference in Loan/Project Agreement	Status of Compliance
Water Supply, Sanitation, or Urban public space component of the Project which involves involuntary resetlements impact untill Punjab has prepared and submitted to ADB the final RP for such component based on the detailed design of such component and obtained ADB's Clearence to the final RP.	Para 7, Schedule 4 to LA	Ongoing. To be monitored until award of all civil works contracts.
22. Punjab may award a Works contract for a Water supply, sanitation, or urban public space component of the Project which involves involuntary ressettlements impacts prior to the final RP for such component having been submitted and cleared by ADB provided that the Works Contract: a) is of a "Design and build" and "turnkey" type under which the design must be completed before the RP is finalized; and b) expressly provides that the installation and construction Phase (and commencement thereof) is strictly conditions upon: (i) the final RP based on the detailed design having been submitetd to, and cleared by, ADB; and (ii) Punjab having notified the contractor and ADB in writing that due consultation, compensation payments and other entitlements have been provided to affected people fully in accordance with the final RP.	Para 8, Schedule 4 to LA	Ongoing To be monitored until award of all civil works contracts.
Consulting Services 23. Except as set forth in the paragraph below, the Borrower shall apply Quality-and Cost-Based Selection for Consulting Services.	Para 9, Schedule 4 to LA	Ongoing To be monitored until award of all consulting services contracts.
24. The Borrower shall apply the following selection method for the specified consulting services, in the accordance with, among other things, the procedures set forth in the Procurement Plan: Least-Cost Selection for the audit and finance Consulting Services.	Para 10, Schedule 4 to LA	Ongoing. To be monitored until hiring of all consulting services.
25. **Industrial and Intellectual property Rights** (a) The Borrower shall ensure that all Goods and Works procured (Including without limitation all computer hardware, software and systems, whether seperately procured or incorporated within other goods and services procured) do not violate or infringe any industrial property or intellectual property right to claim of any third party. (b) The Borrower shall ensure that all Contracts for the procurement of Goods and	Para 11, Schedule 4 to LA	Ongoing To be monitored until all contracts are awarded.

Covenant	Reference in Loan/Project Agreement	Status of Compliance
Works contain appropriate representations, warranties and, if appropriate indemnities from the contractor or supplier with respect to the matters referred to in subparagraph (a) of this paragraph		
26. The Borrower shall ensure that all ADB-financed contracts with consultants contain appropriate representations, warranties and, if appropriate, indemnities from the consultants to ensure that the consulting services provided do not violate or infringe any industrial property or intellectual property right claim of any third party.	Para 12, Schedule 4 to LA	Not complied. No such provision is made in the contract of EPCM Consultant; however, in further contracts this condition will be introduced.
ADB's Review of Procurement Decisions 27. Contracts procured under International competetive bidding procedured and contracts for consulting services shall be subject to prior review by ADB, unless otherwise agreed between the borrower and ADB and set forth in the Procurement Plan.	Para 13, Schedule 4 to LA	Ongoing To be made until completion of all procurements.
28. In case of a contract for Goods or Works, which is subject to ADB's prior review, the Borrower shall seek ADB's prior approval of any modification or wavier of the terms and conditions, including: (a) grantiing an extension of the sipulated time for completion of a contract for a period of one month or more, or which is likely to to require an extension of the Loan closing date, and (b) increase in aggregate of the original price by more than 5% (for the avoidance of the doubt, such increase shall take into account any previous change under such control).	Para 14, Schedule 4 to LA	Not yet due No modifications have been made so far
29. In the case of contract for Goods and Works, which is subject to ADB's post review, ADB shall review the required contract modification of waiver and respond to the Borrower as soon as practicable, but not later than 1 month after the receipt of the required document.	Para 15, Schedule 4 to LA	On-going

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Covenant	Reference in Loan/Project Agreement	Status of Compliance
30. The Borrower shall provide to ADB copies of all time extensions, modifications or waiver to the contracts (including change orders) within 1 month following amendment of the contract.	Para 16, Schedule 4 to LA	Not yet due No extensions have been made so far
Implementation Arrangements 31. The Borrower, Punjab, Sialkot, Sahiwal shall ensure the project is implemented in accordance with the detailed arrangements set forth in the PAM. Any subsequent change to the PAM shall become effective only after the approval of such change the Borrower and ADB. In the event of any discrepancy between the PAM, on the one hand, and this Loan Agreement and the Project Agreement, on the other , the provisions of this Land Agreement and the project Agreement shall preval.	Para 1, Schedule 5 to LA	Ongoing
32. The Borrower shall ensure to cause Punjab, Sialkot and Sahiwal to ensure that all the Project Implemention requirements set out in the PAM, including all of the requirements and actions related to the staffing of the PMU and CIUs, and the strengthening of the financial managements of the PMU and CIUs, are duly and timely compiled with the satisfied, and remain so throughout the term of this Loan Agreement. The Borrower shall cause Punjab to duly and Timely recruit and engage the project implementation consultant in accordance with the requirements of the PAM.	Para 2, Schedule 5 to LA	Partly Complied with. Staff is hired in CIUs as per available positions in the PC-I. EPCM consultants are hired timely but PMCPM consultancy is deferred by PDWP. In place of those, PMU is hiring Individual consultants to support project implementation. Consultants came on-board in April 2020. In addition, there is a partial compliance of the provisions of the financial management action plan (**Appendix-8**).

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Covenant	Reference in Loan/Project Agreement	Status of Compliance
Environment 33. The borrower shall ensure and cause Punjab, Sialkot and Sahiwal to ensure that the Preparation, design, construction, implementation, Operation and decommissioning of the project and all project facilities comply with (a) all applicable laws and regulations of the Borrower relating to environment, health and safety; (b) the environmental Safeguards; and (c) all measures and requirements set forth in the IEEs, the EMPs, and any corrective or preventative actions set forth In a Safeguard monitoring report.	Para 3, Schedule 5 to LA	Ongoing. All provincial laws relating to environmental safeguards are being complied with, Requirements in IEEs and EMPs are strictly being followed, HSE trainings are conducted on sites, regular environmental monitoring is in place for ongoing projects. This covenant needs to be monitored throughout project period.
Land Acquisition and involuntary Resetlements 34. The Borrower shall ensure and cause Punjab, Sialkot and Sahiwal to ensure that all land rights-of-way required for the project are made available to the works contractor in accordance with the schedule agreed under the Works acquisition and resettlements activities are implemented in compliance with (a) all applicable laws and regulations of the Borrower relating to Land Acquisition and involuntary resettlements; (b) the involuntary resettlemnts Safeguards; (c) the RF; (d) all measures and requirenments set forth in the RPs, and any corrective and presentative actions set forth in a Safeguards monitoring Report. For the avoidance of doubt, the Borrower shall ensure and cause Punjab, Sialkot and Sahiwal to ensure that no land is required, for the purposes of the Punjab, under the emergency provisions of the Borrower's Land Acquuisition Act (1894), as amended from time to time.	Para 4, Schedule 5 to LA	Ongoing. To be monitored throughout the project period.
35. Without limiting the application of the Involuntary Ressetlements Safeguards, the RF or the PRs, the Borrower shall ensure the cause of Punjab, Sialkot and Sahiwal to ensure that no physical or aconomic displacement takes place in connection with any water supply, or urban public space component of the	Para 5, Schedule 5 to LA	Ongoing. To be monitored throughout the project period.

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Covenant	Reference in Loan/Project Agreement	Status of Compliance
project untill; (a) Compensation and other entitlements have been provided to affected people in accordance with the RP for such component; and (b) A comprehensive income and livelihood restoration program has been established in accordance with the RP for such component.		
36. The Borrower shall ensure cause Punjab, Sialkot and Sahiwal to ensure that the involuntary resettlements impacts of each water supply, sanitation and Urban Public space component of the project are promptly assessed, and where necessary an RP is promptly prepared and submitted to ADB, in accordance with the requirenments of the involuntary resettlements Safeguardsand the RF. The Borrower shall further ensure and caus Punjab, Sialkot and Sahiwal to further ensure that, for each water supply, santation and urban public space component which involves involuntary resettlements impact, all land acquisition and resettlements activities, including all payments of required compensation and entitlements, and satisfaction of all requirenments and actions set out in the RP for such component, are completed before any construction commences and before any notice to proceed is isued under the Works contract for such component.	Para 6, Schedule 5 to LA	Ongoing. To be monitored throughout preparation and implementation of works packages.
<u>Indigenous People</u> 37. The Borrower shall ensure and cause Punjab, Sialkot and Sahiwal to ensure that the project does not have any indigenous peoples impact within the meaning of the safeguard policy statemnet. In the event that the project does have any such impact, the Borrower shall take and cause Punjab, Sialkot and Sahiwal to take all steps required to ensure that the project complies with the applicable Laws and regulations of the Borrower and with the Safeguard policy statement.	Para 7, Schedule 5 to LA	Not applicable. There are no indigenous peoples in the project area.
<u>Human and Financial Resources to Implement Safeguard Requirenments.</u> 38. The Borrower shall make available or cause Punjab, Sialkot and Sahiwal to make available necessary budgetary and huma resources to fully implement the EMPs and RPs.	Para 8, Schedule 5 to LA	On-going. CIUs relevant staff is hired. EMPs compliance is in progress in all awarded contracts. RPs are being prepared and will be implemented at their stage.

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Covenant	Reference in Loan/Project Agreement	Status of Compliance
Safeguards- Related Provisions in Bidding Documents and Works Contracts 39. The Borrower shall ensure and cause Punjab to ensure that all bidding documents and Contracts for Works contain Provisions that require Contractors to; (a) Compl;y with the ensure relevant to the contractor set forth in the reelvant IEE, EMPs and RP (to the extent they concern impacts on affected people during construction), and any corrective or preventative actions set forth in a Safeguard Monitoring Report; (b) Make available to budget for all such environmental and social measures; (c) Provide to Borrower with the written notice on any unanticipated environmental and resettlements risks or impacts that arise during the construction, implementation or operation of the project that were not considered in the relevant IEE. EMP and RP; (d) adequately record the condition of roads, agricultural land and other infrastructure prior to starting to transport materials and construction; and (e) reinstate pathways, other local infrastructure, and agricultural land to at least their pre-project condition upon the completion of project.	Para 9, Schedule 5 to LA	Ongoing To be monitored until award of all works contracts.
Safeguards Monitoring and Reporting 40. The Borrower shall cause Punjab to do the following; (a) The submit semi-annual Safeguards Monitoring Reports to ADB and disclose relevant information from such Reports to affected persons promptly upon submission; (b) If any unanticipated environmental and/or social risks and impacts arise during the construction, implementation or operation of the project that were not the considered in any IEE, EMP or RP promptly inform ADB of the occurrence of such risks or impacts, with detailed description of the event and proposed corrective action plan; (c) No later than 1 January 2018, engage qualified and experienced external experts or qualified NGOs under a selection process and terms of reference acceptable to ADB, to verify information produced through a project monitoring process, and facilities the carrying out of any verification activities by such external experts;and (d) Report any actual or potential breach of compliance with the measures and	Para 10, Schedule 5 to LA	Not yet due To be monitored throughout project period. Submission of safeguard reports is not due yet, it will be due in Q3/2020 and will be submitted on time. Hiring of External monitors is delayed as there were no projects to be monitored. Now, as per advice of ADB, PMU is hiring External Monitor for Social Safeguard whose position

Appendix 6

Covenant	Reference in Loan/Project Agreement	Status of Compliance
requirenments set forth in an EMP or RP promptly after becoming aware of the breach.		is advertised and will be hired by Q3/2020.
Prohibited List of Investments 41. The Borrower shall ensure and cause Punjab, Sialkot and Sahiwal to ensure that no proceeds of the Loan are used to fianance any activity included in the list of prohibited investment activities provided in Appendix 5 of the SPS.	Para 11, Schedule 5 to LA	Complied with. To be monitored throughout the project period.
Labor Standards, Health and Safety 42. The Borrower shall ensure and cause Sialkot and Sahiwal to ensure that the core labor standards and the Borrowers applicable laws and regulations are complies with during project implementation. The Borrower shall inculde and cause Punjab to include specific Provisions in the bidding documents and contracts financed by ADB under the project requiring that the contractors, among other things; (a) comply with the Borrowers applicable labor law and regulations and incorporate applicable workplace occupational safety norms; (b) do not use child labor; (c) do not discriminate workers in respect of employment and occupation; (d) do not used forced labor; (e) allow freedom of association and effectively recognize the right to collective bargaining; and (f) disseminate, or engage appropriate service providers to disseminate, information to the risk of sexually transmitted diseases, including HIV/AIDS, to the employees of contractors engaged under the project and to members of the Local communities surrounding the project area, particularly women.	Para 12, Schedule 5 to LA	Ongoing. To be monitored throughout project period.
43. The Borrower shall strictly monitor or cause Sialkot and Sahiwal to strictly monitor to compliance with the requirements set forth in paragraph 12 above and provide ADB with regular reports.	Para 13, Schedule 5 to LA	On-going.
General and Development 44. The Borrower shall ensure and cause Sialkot and Sahiwal to ensure that (a) the GAP is implemented in accordance with its terms; (b) the bidding documents and contracts include relevant provisions for contractors to comply with measure set	Para 14, Schedule 5 to LA	Ongoing. To be monitored throughout

Covenant	Reference in Loan/Project Agreement	Status of Compliance
forth in the GAP ; (c) adequate resources are allocated for implementation for of the GAP; (d) progress on implementaion on the GAP, including progress towards archeiving key gender outcome and output targets, includes but are not limited to (i) separate male and female toilets and provisions for diaper changing stations are installed in all bus terminals rehabilated under the project; (ii) atleast 1 commercial space in allocated to a female vendor in (or near) each bus terminal rehabilated under the project; (iii) a safe "women's space" for sports, recreational or other activities participated in by majority women in allocated in at least 70% of all city parks rehabilated under the project (iv) atleast 20% of the partici[ants in technical and financial managements trainings conducted for the PMU, CIUs and USCs under the project are women; (v) at least 50% of the participants in focus group discussions for water and senitation schemes under the project are women; and (vi) monitoring and evaluation date are disaggreagate by gender.		the project period. Details are in **Appendix 9.**
Customer Support 45. The Borrower shall cause Punjab to make available adequate counterpart funds and other resources in addition to the proceeds of the Loan, and have such counterpart funds and resources released in a timely manner, for the successful implementation of the project. The Borrower shall ensure that Punjab, Sialkot and Sahiwal have sufficient funds to satisfy all liabilities arising from the Goods, Works and consulting Services contracts for the Project.	Para 15, Schedule 5 to LA	Fully complied. Counter Part funds for land Acquisition for Sahiwal and Sialkot STP have been released and utilized efficiently to acquire the land for STP in both cities. Other counterpart funds are sufficiently available to the extent of FY 2019-2020.
Operational/Sector Performance Covenants 46. The Borrowers shall ensure and cause Punjab, Sialkot and Sahiwal to ensure that the project is implemented in accordance with applicable design and technical satisfaction and construction norms satisfactory to ADB, and construction supervision, Quality control and contract management are performed in accordance with international standards.	Para 16, Schedule 5 to LA	On-going
47. The Borrowers shall ensure and cause Punjab, Sialkot and Sahiwal to ansure that all project facilities are operated and maintained, in an effective and sustainable manner, in accordanec with the Borrower's applicable laws, regulations and standards, in accordance with best international industry practice.	Para 17(a), Schedule 5 to LA	Not yet due. No subproject has so far been awarded.

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Covenant	Reference in Loan/Project Agreement	Status of Compliance
48. The Borrower shall ensure or cause Punjab to ensure that adequate budgetary and other resources allocated timely and provided promptly as necessary and appropriate for the operations and maintenance of project facilities as described in Sub-paragraph(a).	Para 17(b), Schedule 5 to LA	Not yet due. No project facilities have so far been created.
49. The Borrower shall cause Punjab. Sialkot and Sahiwal to undertake perform, carry out and complete all key action in the financial sustainaibility action plan start out in the PAM, including, in paticular, the development and endoresement of tariff policy and guideline focused on full recovery of operation and maintenance cost; introduction of policy for annual inflation-linked increases in Water and wastewater tariffs; and implementation of volumetric water and wastewater taiffs for all meter connection. All key actions shall be completed within the time frames indicated in the financial sustainaibility action plans. s	Para 17(c), Schedule 5 to LA	Partly complied. Some provisions of financial sustainability action plan are not complied with. Please refer to Appendix 8 for detail.
50. The Borrower shall ensure and cause Sialkot and Sahiwal to ensure: (a) that each water supply facility and sanitation facility installed, rehabilated, replaced, provided, unblocked or constructed under the project is transferred in Sialkot USC, as the cause may be, promptly after its completion for operation and maintenance by the said USC and use in the delivery of water supply and sanitation services: (b) that the USC's are fully functional and operational no later than 1 January 2018, with staff, financial and other resources adequate to operate and maintain the facilities mentioned in Sub-paragraph (a) and provide water supply and sanitation services, and that they remain so throughout the team of the Loan Agreeement..3 (c) that the USCs have adequate enforcement mechanisms to collect service fees and penalize defaulters in order to improve collection efficiency, deter non-payment and ensure sustainability of operations; and (d) that the USCs duly and timely carry out the actions indcated to be carried out by them in the financial sustainability action plan set ou in the PAM.	Para 18, Schedule 5 to LA	Not complied with. In the high ash long of Govt. of Punjab, this matter of formation of companies is still under deliberations and no policy decision has yet come out. PMU has taken this matter to Program steering committee for advice and it is advised to wait till hiring of ODBM consultant.
51. The Borrower shall ensure and cause Sialkot and Sahiwal to ensure that ADB's written consent is obtained atleast 6 months prior to the implementation of any of the following: (a) change in the ownership of any asset, facility or structure financed under the project; (b) sale, transfer, or assignment of any interest or control in any asset, facility or structured financed under the project; or (c) lease or other contract or modifications of the functions and authority of Sialkot and Sahiwal, as they case may be, over the operation and maintenance of any asset,	Para 19, Schedule 5 to LA	Ongoing. To be monitored throughout the project implementation.

Covenant	Reference in Loan/Project Agreement	Status of Compliance
facility or structure financed under the project. The Borrower shall ensure and cause Sialkot and Sahiwal to ensure that ADB is promptly notified of any proposal to implement any such change and the notifications include sufficient details regarding the change. The Borrower shall ensure and cause Sialkot and Sahiwal to ensure that any such change will be carried out In a legal and transperant manner. The Borrowers and ADB agree that, notwithstanding the provisions of this paragraph19, ADB's written consent need not be obtained for any transfer of a water supply facility or sanitation facility that is done under paragraph 18 (a) above.		
Governance and Anticorruption 52. The Borower, Punjab, Sialkot and Sahiwal shall (a) comply with ADB's Anticorruption policy (1998, as amended to date) and acknowledge that ADB reserves the right to investigate directly, or through its agents, any alleged corrupt, fraudulent, collusive or coercive practice relating to the project; and (b) cooperate with any such investigation and extend all necessary assistance for the satisfactory completion of such investigation.	Para 20, Schedule 5 to LA	Ongoing. To be monitored throughout the project implementation.
53. The Borrower and Punjab shall ensure that anticorruption provisions acceptable to ADB are include in all bidding documents and contracts, including provisions specifying the right of ADB To audit and examine the records and accounts of the executing and implementing agencies and all contractors, suppliers, consultants, and other services providers as they relate to the project.	Para 21, Schedule 5 to LA	Complied with. To be monitored until all contracts are awarded.
54. The Borrowers shall cause Punjab to provide updated information on the project on its website, including information on the prformance of the project, business opportunities, bidding pocess and guidelines, outcome of biddings and summary progress reports**.**	Para 22, Schedule 5 to LA	Partially complied. Information on bidding is being posted at EA's website. However, the project performance is not reported.
55. Punjab shall, and shall ensure cause Sialkot and Sahiwal to, carry out the project with due dilligence and efficiency, and in confirmity with sound applicable technical, financial business, and development practices.	Section 2.01 (a), Article II to Project Agreement (PA)	Ongoing. To be monitored throughout project implementation.
56. In the carrying out of the Project and incorporation of the project facilities, Punjab	Section 2.01 (b),	Ongoing.

Covenant	Reference in Loan/Project Agreement	Status of Compliance
shall, and shall cause Sialkot and Sahiwal to, perform all obligations set forth in the Loan Agreement to the extent that they are applicable to Punjab, Sialkot and Sahiwal, as the case may be, and all obligations set forth in the schedule to this project Agreement.	Article II to PA	To be monitored throughout project implementation.
57. Punjab shall, and shall cause Sialkot and Sahiwal to, make available, promptly as needed, and on terms and conditions acceptable to ADB, the funds, facilities, services, land and other resources as required, in addition to the proceeds of the Loan, for the carrying out of the Project.	Section 2.02, Article II to PA	On-going To be monitored throughout project implementation.
58. In the carrying out of the project, Punjab shall, and shall cause Sialkot and Sahiwal to, employ competent and qualified consultants and contractors, acceptable to ADB, to an extent and upon terms and conditions satisfactory to ADB.	Section 2.03 (a), Article II to PA	Partly complied with. In PMU, there were four key vacant positions which were advertised. Two positions are being filled by competition, one by transfer from Govt and one position of Director P&C is left unfilled due to non-availability of suitable candidates. All seats in CIU Sahiwal are filled in current quarter. In Sialkot, out of 10 approved key staff positions, three are vacant.
59. Except as ADB may otherwise agree, Punjab shall, and shall cause Sialkot and Sahiwal , to procure all items of expenditures to be financed out of the proceeds of the Loan in accordance with the provisions of Schedule 4 to the Loan Agreement. ADB may refuse to finance a contract where any such item has not been procured under procedures substantially in accordance with those agreed between the Borrower and ADB or where the terms and conditions of the contract are not satisfactory to ADB	Section 2.03 (b), Article II to PA	Complied with and Ongoing. All procurements are being made in accordance to the provisions of Schedule 4 of Loan Agreement.
60. Punjab shall, shall cause Sialkot and Sahiwal to, carry out the project in accordance with plans, design standards, specifications, work schedules and construction methods acceptable to ADB. Punjab shall, and shall cause Sialkot	Section 2.04, Article II to PA	Ongoing. To be monitored throughout

Covenant	Reference in Loan/Project Agreement	Status of Compliance
and Sahiwal to, furnish, or cause to be furnishd, to ADB, promptly after their preparation, such plans, design standards, specifications and work schedules, and any material notifications subsequently made therein, in such detail as ADB shall reasonably request.		project implementation.
61. Punjab shall cause Sialkot and Sahiwal to take out and maintain with responsible insurers, or make other arrangements satisfactory to ADB for, insurance of project facilities to such extent and against such risks and in such amunts as shall be consistent with sound practice.	Section 2.05 (a), Article II to PA	Not yet due. No project facility has so far been created.
62. Without limiting the generality of the foregoing, Punjab shall cause Sialkot and Sahiwal to insure, or cause to be insured, the Goods to be imported for the Project against hazardous incident to the acquisition, transportation and delivery thereof to the place of use or installation, and for such insurance any indemnity shall be payable in a currency freely usable to replace or repair such Goods.	Section 2.05 (b), Article II to PA	Complied with and On-going. Compliance ensured by adding Relevant clauses in the procurement documents
63. Punjab shall, and shall cause Sialkot and Sahiwal to, maintain, or cause to be maintained, recordsand accounts adequate to identify the items of expenditure financed out of the proceeds of the Loan, to disclose the use thereof in the peoject, to record the progress of teg projec (including the cost thereof) and to reflect, in accordance with consistently maintained sound accounting principles, its operations and financial condition.	Section 2.06, Article II to PA	Ongoing. To be monitored throughout project implementation.
64. ADB and Punjab shall cooperate fully, and Punjab shall cause Sialkot and SAhiwal to cooperare fully, to ensure that the purposes of the Loan will be accomplished.	Section 2.07 (a), Article II to PA	Ongoing. To be monitored throughout project implementation.
65. Punjab shall, and shall cause Sialkot and Sahiwal to, promptly inform ADB of any condition which interfere with, or threatens to interfere with, the progress of the Project; the performance of their obligations under the Project Agreement, the subsidiary Loan Agreement or the Punjab Grant Agreement, as the case may be; or the accomplishment of the purposes of the Loan.	Section 2.07 (b), Article II to PA	
66. ADB and Punjab, shall from time to time, and Punjab shall cause Sialkot and Sahiwal to from time to time, at the request of any party, axchange view through their representative with regard to any matters relating to the project Punjab, Sialkot, Sahiwal and the Loan.	Section 2.07 (c), Article II to PA	
67. Punjab shall, and shall cause Sialkot and sahiwal to, furnish to ADB all such reports and information as ADB shall reasonably request concerning (i) the Loan	Section 2.08 (a), Article II to PA	Ongoing.

Covenant	Reference in Loan/Project Agreement	Status of Compliance
and the expenditure of the proceeds thereof; (ii) the items of expenditure financed out of such proceeds; (iii) the project; (iv) the administration , operations and financial cond ition of the punjab, Sialkot and Sahiwal; and (v) any other matters relating to the purpose of the Loan.		To be monitored throughout project implementation.
68. Without limiting the generality of the foregoing, Punjab shall, and shall cause Sialkot an Sahiwal to, furnish to ADB periodic reports on the execution of the project and on the operation and the management of the project facilities, Such reports shall be submitted in such form and in such detail and within such a period as ADB shall reasonably request, and shall indicate, among other things, progress made and problem encountered during the period under review, steps taken or proposed to be taken to remedy these problems, and proposed program of activities and expected progress during the following period.	Section 2.08 (b), Article II to PA	On-going
69. Promptly after physical completion of the Project, but in any event not later than 3 months thereafter or such later date as ADB may agree for this purpose, Punjab shall prepare and furnish top ADB a report, in such form and in such detail as ADB shll reasonably request, on the execution and initial operation of the Project, including its cost, the performance by Punjab of its obligations under this Project Agreement and the accomplishment of the purposes of the Loan.	Section 2.08 (c), Article II to PA	Not yet due.
70. Punjab shall, and shall cause Sialkot and Sahiwal to, maintain separate accounts and records for the Project. Punjab shall (i) prepare annual financial statements for the Project in accordance with financial reporting standards acceptable to ADB; (ii) have such financial statements audited annually by independent auditors whose qualifications, experience and terms of reference are acceptable to ADB, in accordance with auditing standards acceptable to ADB; (iii) as part of each such audit, have the auditors prepare a report, which includes the auditors' opinion(s) on the financial statements and the use of the Loan proceeds, and a management letter (which sets out the deficiencies in the internal control of the Project that were identified in the course of the audit, if any); and furnish to ADB, no later than 6 months after the close of the fiscal year to which they relate, copies of such audited financial statements, audit report and management letter, all in the English language, and such other information concerning these documents and the audit thereof as ADB shall from time to time reasonably request.	Article II, Section 2.09 (a), PA	Ongoing APFS for FY2019 have been received and disclosed on ADB website.

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Covenant	Reference in Loan/Project Agreement	Status of Compliance
71. ADB shall disclose the annual audited financial statements for the Project and the opinion of the auditors on the financial statements within 14 days of the date of ADB's confirmation of their acceptability by posting them on ADB's website.	Article II, Section 2.09 (b), PA	Ongoing. Will be done once the APFS are disclosed by ADB.
72. Upon ADB's request, Punjab shall enable ADB to discuss the financial statements for the Project, and Punjab shall, and shall cause Sialkot and Sahiwal to, enable ADB to discuss their financial affairs where they relate to the Project, with the auditors appointed by Punjab pursuant to subsection (a) (iii) hereinabove, and shall authorize and require any representative of such auditors to participate in any such discussions requested by ADB. This is provided that such discussions shall be conducted only in the presence of an authorized officer of Punjab, Sialkot and/or Sahiwal (as the case may be), unless Punjab, Sialkot and/or Sahiwal (as the case may be) shall otherwise agree.	Article II, Section 2.09 (c), PA	Ongoing.
73. Punjab shall, and shall cause Sialkot and Sahiwal to, enable ADB's representatives to inspect the Project, the Goods and Works and any relevant records and documents.	Article II, Section 2.10, PA	Ongoing. To be monitored throughout project implementation.

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Covenant	Reference in Loan/Project Agreement	Status of Compliance
74. (a) Punjab shall, and shall cause Sialkot and Sahiwal to, promptly as required, take all action within its powers to maintain its existence, to carry on its operations, and to acquire, maintain and renew all rights, properties, powers, privileges and franchises which are necessary in the carrying out of the Project or in the conduct of its operations. (b) Punjab shall, and shall cause Sialkot and Sahiwal to, at all times conduct its operations in accordance with sound applicable technical, financial, business, development and operational practices, and under the supervision of competent and experienced management and personnel. (c) Punjab shall, and shall cause Sialkot and Sahiwal to, at all times operate and maintain its plants, equipment and other property, and from time to time, promptly as needed, make all necessary repairs and renewals thereof, all in accordance with sound applicable technical, financial, business, development, operational and maintenance practices.	Article II, Section 2.11, PA	Ongoing. To be monitored throughout project implementation.
75. Except as ADB may otherwise agree, Punjab shall not, and shall cause Sialkot and Sahiwal not to, sell, lease or otherwise dispose of any of its assets which shall be required for the efficient carrying on of its operations or the disposal of which may prejudice its ability to perform satisfactorily any of its obligations under this Project Agreement.	Article II, Section 2.12, PA	Ongoing. To be monitored throughout project implementation.
76. Expect as ADB may otherwise agree, Punjab shall, and shall cause Sialkot and Sahiwal to, apply the proceds of the Loan to the financing of expenditures on the Project in accordance with the provisions of the Loan Agreement and the Project Agreement, and shall ensure that all items of expenditures financed out of such proceeds are used exclusively in the carrying out of the Project.	Article II, Section 2.13, PA	On-going. To be monitored throughout project implementation.
77. Expect as ADB may otherwise agree, the Government of Punjab shall duly perform all its obligations under the subsidiary Loan Agreement, and the Government of Punjab shall, and shall cause Sialkot and Sahiwal to, duly perform all their obligations under the Punjab Grant Agreement, and shall not take or occur in any action which would have the effect of assigning, amending, aborgating or waiving any rights or obligation of the parties under the subsidiary Loan Agreement or Punjab Grant Agreement.	Article II, Section 2.14, PA	Partly Complied. There is reluctance at the government level to create USCs. The Project is designed in such a way that these USCs were to be created within first year of

Covenant	Reference in Loan/Project Agreement	Status of Compliance
		the Project and ultimately the project facilities were to be transferred to these entities for providing urban services efficiently.
78. Punjab shall, and shall Sialkot and Sahiwal to, promptly notify ADB of any proposal to amend, suspend or repeal any provisions of its constitutional documents, which, if implemented, could adversely affect thet carrying out of the Ptoject or the operation of the Project facilities. Punjab shall, and shall cause Sialkot and Sahiwal to, afford ADB am adequate opportunity to comment on such proposal prior to taking any affirmative action thereon.	Article II, Section 2.15, PA	Ongoing. To be monitored throughout project implementation.
79. Punjab (through the LG&CD Department) shall ensure and cause Sialkot and Sahiwal to ensure that the Project is implemented in accordance with the detailed arrangements set forth in the PAM. Any subsequent change to the PAM shall becomes effective only after the approval of such change by the Borrower and ADB. In the event of any discrepancy between the PAM, on the one hand, and the Loan Agreement and his Project Agreement, on the other, the provisions of the Loan Agreement and this Project Agreement shall prevail.	Para 1, Schedule to PA	Ongoing. To be monitored throughout project implementation.
80. Punjab (through the LG&CD Department) shall ensure and cause Sialkot and Sahiwal to ensure that the Project implementation requirenments set out in the PAM, including all of the requirenments and actions relating to the staff of the PMU and the CIUs, and the strengthning of the financial management of the PMU and CIUs, ae duly and timely complied with and satisfied, and remain so throughout the terms of the Loan Agreement. Punjab (through the LG&CD Department) shall duly and timely recruit and engage the project implementation consultant accordance with the requirenments of the PAM.	Para 2, Schedule to PA	Partly complied. Staff for PMU & CIUs is recruited as per provisions of PC-1.
81. **Environment** Punjab through the LG&CD Department) shall ensure and cause Sialkot and Sahiwal to ensure that the preparation, design, construction, implementation, operation and decomissioning of the Project and all project facilities comply with (a) all applicable laws and regulations of the Borrower relating to environment, health and safety; (b) the Environmental safeguards; and (c) all measure and requirenments set forth in the IEEs, the EMPs, and any corrective or any preventative actions set forth in a safeguard monitoring Report.	Para 3, Schedule to PA	Ongoing. To be monitored throughout project implementation.
82. **Land Acquisite and involuntary Resettlement.** Punjab (through the LG&CD	Para 4,	Ongoing.

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Covenant	Reference in Loan/Project Agreement	Status of Compliance
Department) shall ensure and cause Sialkot and Sahiwal to ensure that all land and all rights of-way requireed for thr project are made available to the Works contractor in accordance with the schedule agreed under the Work contracts all land acquisition and reesettlements activities are implemented in compliance with (a) all applicable laws and regulations of the Borrower relating to land acquisition and involuntary serettlements; (b) the involuntary resettlements Safeguards; (c) the RF; and (d) and measure and requirenments set forth in the RPs, and any corrective orv preventative action set forth in a safeguard Monitoring Report. For the avoidance of doubt, Punjab (through the LG&CD Department) shall ensure and cause Sialkot and Sahiwal to ensure that no land is required, for the purposes of the Punjab, under the emergency acquisitions provisions of the Borrower's Land Acquisition Act (1894), as amended from time to time.	Schedule to PA	To be monitored throughout project implementation.
83. Without limiting the application o the involuntary Resettlement Safeguards, the RF of the PRs, Punjab (through LG&CD Department) shall ensure and Sialkot and Sahiwal to ensure that no physical or economic displacements takes place in connection with nay water supply, sanitation, or urban public space component of the Project untill: (a) Compensation and other entitlements have been provided to affected people in accordance with the RP for such component; and (b) a comprehensive income and livelihood restoration program has been established in accordance with the RP for such component.	Para 5, Schedule to PA	Ongoing. To be monitored throughout project implementation.
84. Punjab (through LG&CD Department) shall ensure and Sialkot and Sahiwal to ensure that the involuntary resettlement impacts of each water supply, sanitation, and urban public space component of the project are promptly assessed, and where necessary an RP is promptly prepared and submitted to ADB, in accordance with the requirenments of the involuntary rersettlements Safeguards and the RF, Punjab (through the LG&CD Department) shall further ensure and cause Sialkot and Sahiwal to further ensure that, for each water supply, senitation or public apace component which involves involuntary resettlement impacts, all land acquisition and resettlement activities, including all payment of required compensation and entitlements, and satisfaction of all requirenments and actions set out in the RP for such component, are completed before any construction aommences and before any notice to proceed is issued under the Works contract for such component.	Para 6, Schedule to PA	Ongoing. To be monitored throughout project implementation.

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Covenant	Reference in Loan/Project Agreement	Status of Compliance
85. **Indigenous peoples** Punjab (through LG&CD Department) shall ensure and cause Sialkot and Sahiwal to ensure that theh Project does not have any indigenous peoples impact within the maning of the Safeguard policy statement. In the event that the project does have any such impact, Punjab (through LG&CD Department) shall take and cause Sialkot and Sahiwal to take all steps required to ensure that the Project complies with the applicable laws and regulations pf the Borrower and with the Safeguard policy statement.	Para 7, Schedule to PA	Not applicable. No indigenous peoples live in the Project area.
86. **Human and Financial Resources to implement Safeguard Requirements** Punjab shall make available and cause Sialkot and Sahiwal to make available necessary budgetary and human resources to fully implement the EMP's and the RPs.	Para 8, Schedule to PA	Partly complied with. No safeguards staff is appointed yet in Sialkot and Sahiwal.
87. Punjab (through the LG&CD Department) shall ensure that all bidding documents and contracts for Works contain provisions that require contractors for: (a) comply with the measure relevant to the contractor set forth in the relevant IEE, EMP and RP (to the extent they concern impacts on affected people during construction), and any corrective or preventative actions set forth in a Safeguard Monitoring Report. (b) make available a budget for all such environmental and social measures; (c) Provide the Borrower with the written notice of any unanticipated environmental and resettlements risks or impacts that arise during the construction, implementation or operation of the rpoject that were not considered in the relevant IEE, EMP and RP; (d) adequately record the condition of roads, agricultural land and other infrastructure prior to starting the transport materials and construction; and (e) reinstate pathways, other local infrastructure, and agricultural land to all least their pre-project condition upon the completion of construction.	Para 9, Schedule to PA	Ongoing. To be monitored throughout project implementation.
88. Punjab (through the LG&CD Department) shall do the following: (a) submit semi-annual Safeguards Monitoring Reports to ADB and disclose relevant information from such reports to affected persons promptly upon submission; (b) if any unanticipated environmentals and/or social risks and impact	Para 10, Schedule to PA	Not yet due. Will be provided semiannually for each project

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Covenant	Reference in Loan/Project Agreement	Status of Compliance
arise during the construction, implementation or operation of the Project that were not considered in any IEE, EMP or RP, promptly inform ADB of the occurance of such risks or impacts, with detailed description of the event and proposed corrective action plan; (c) no later than 1 January 2018, engage qualified and experienced external experts or qualified NGOs under a selection process and terms of reference acceptable to ADB, to verify information produced through the Project Monitoring Process, and facilitate the carrying out of any verification activities by such external experts; and (d) report any actual or potential breach of compliance with the measures and requirenments set forth in an EMP or RP promptly after becoming aware of the breach.		Not yet due. No subproject is yet awarded. Not complied. External experts for monitoring will be hired in Q2/2020. Not yet due. No subproject is yet awarded.
89. **Prohibited Investments** Punjab (through LG&CD Department) shall ensure and cause Sialkot and Sahiwal to ensure that no proceeds of the loan are used to finance any activity included in the list of prohibited investment activities provided in Appendix 5 of the SPS.	Para 11, Schedule to PA	Ongoing. To be monitored throughout the Project implementation.
90. **Labor Standards, Health and Safety** Punjab shall cause Sialkot and Sahiwal to ensure that the core labor standards and the Borrower's applicable laws and regulations are complied with during Project implementation. Punjab (through LG&CD Department) shall include specific provisions in the bidding documents and contracts financed by ADB under the Project requiring that the contractors, among other things: (a) comply with the Borrower's applicable labor law and regulations and incorporate applicable workplace occupational safety norms; (b) do not use child labor (c) do not discriminate workers in respect of employment and occupation; (d) do not used forced labor; (e) allow freedom of association and effectively recognize the right to collective bargaining; and (f) disseminate, information on the risks of sexually transmitted diseases, including HIV/AIDS, to the employees of contractors engage under the Project and to members of the local communities surrounding the project area, particularly women.	Para 12, Schedule to PA	Ongoing To be monitored throughout project implementation.
91. Punjab shall cause Sialkot and Sahiwal to strictly monitor compliance with the requirements set forth in paragraph 12 above and provide ADB with regular reports.	Para 13, Schedule to PA	Ongoing

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Covenant	Reference in Loan/Project Agreement	Status of Compliance
		To be monitored throughout project implementation.
92. **Gender and Development** Punjab (through the LG&CD Depertment) shall ensure and cause Sialkot and Sahiwal to ensure that (a) the GAP is implemented in accordance with its items; (b) the bidding documents and contracts include relevant provisions of contractors to comply with the measures set forth in the GAP; (c) adequate resources are allocated for implementation of the GAP; (d) progress on implementation of the GAP; including progress towards achieving key gender outcome and output targets, and regularly monitored and reported to ADB; and (e) key gender outcome and output targets include but are not limited to; (i) separate female and male toilets and provisio of diaper changing stations are installed and all bus terminals rehabilated under the project; (ii) at least 1 commercial apace is allocate to female vendor in (or near) each bus teminal rehabilated under the project; (iiii) a safe " women's space" for sports, recreational or other activities participated in by majority women is allocated in at least 70% of all city parks rehabilated under the project; (iv) at least 20% of the participants in technical and financial management trainings conducted for the PMU, CIUs nd USCs under the project are women; (v) at least 50% of the participants in focus group discussions for water and senitation schemes under the Project are women; and (vi) monitoring and evaluation date are disaggregated by gender.	Para 14, Schedule to PA	Partly complied. There is deputy director Communication and gender in PICIIP. Seats for gender staff for both CIUs were advertised in current quarter and staff is hired for Sahiwal. However, no suitable staff applied for Sialkot.
93. **Counterpart Support** Punjab shall make available adequate counterpart funds and other resources in addition to the proceeds of the Loans, and have such counterpart funds and resources released in a a timely manner, for the successful implementation of the Project.	Para 15, Schedule to PA	Partly Complied with. Counterpart funds are to be provided in one tranche for the whole FY, however, for the current FY2019, only funds for the quarter ended 30 Sep 208 have been received by PMU. The funds for the remaining period have not been released so far.
Operational/Sector Performance Convenants 94. Punjab (through the LG&CD Department) shall ensure and cause Sialkot and	Para 16, Schedule to PA	

Covenant	Reference in Loan/Project Agreement	Status of Compliance
Sahiwal to ensure that the Project is implemented in accordance with applicable design and technical specifications and construction norms satisfactory to ADB, and construction supervision, quality control and contract management are performed in accordance with international standards.		Ongoing. To be monitored throughout project implementation
95. (a) Punjab (through the LG&CD Department) shall ensure and cause Sialkot and Sahiwal to ensure that all Project facilities are operated and maintained, in an effective and sustainable manner, in accordance with the Borrower's applicable law's, regulations and standards and, in other respects not covered by such laws, regulations and standards, in accordance with best international industry practice. (b) Punjab shall ensure that adequate budgetary and other resources are allocated timely and provided promptly as necessary and appropriate for the opeartion and maintenance of Project facilities as described in Sub-Paragraph(a) (c) Punjab (through the LG&CD Department) shall and shall cause Sialkot and Sahiwal to undertake, perform, carry out and complete all key actions in the financial sustainability action plan set out in the PAM, including, in particular, the development and endorsement of tariff policy and guidelines focused on full recovery of operation and maintenance costs; introduction of a apolicy for annual inflation-linked increases in water and wasterwater tariffs, and implementation of volumatric water tariffs for all mater connections. All key actions shall be completed within the time frames indicated in the financial sustainability action plan.	Para 17, Schedule to PA	Not yet due. No project facility has yet been constructed, or procured. Not yet due. No project facility has been created so far. Partly complied. Provisions of the action plan are partially complied with. No concrete action has so far been taken for tariff increase and its linkage with inflation.
96. Punjab shall cause Sialkot and Sahiwal to ensure; (a) that each water supply facility and sanitation facility installed, rehabilated, replaced, provided, unblocked or constructed under the Project is transferred to the Sialkot USC, as the case may be, promptly after its completion for operation and maintenance by the said USC and use in the delivery of water supply and sanitation services; (b) that the USCs are fully functional and operational no later than 1 Jnauary 2018, with staff, financial and other resources adequate to operate and maintain the facilities mentioned in Sub- paragraph (a) and provide water supply and sanitation services, and that they remain so throughout the term of the Loan Agreement; (c) that the USCs have adequate enforcement mechanisms to collect	Para 18, Schedule to PA	Not complied. There is reluctance at government level on adoption of USC model. ADB will keep on engaging with the government on the modus operandi of service delivery operations.

Covenant	Reference in Loan/Project Agreement	Status of Compliance
service fees and penalize defaulters in order to improve collection efficiency, deter non-payments and ennsure sustainability of operations; and (d) that the USCs duly and timely carry out the actions indicated to be carried out by them in the financial sustainability action plan set out in the PAM.		
97. Punjab shall cause sialkot and Sahiwal to ensure that ADB's written consent is obtained at least 6 months prior to the implementation of any of the following: (a) change in the ownership of any asset, facility or structure financed under the Project; or (b) Sale, transfer, or assignment of any interest or control in any asset, facility or structured financed under the Project; (c) lease or other contract modification of the functions and authority of Sialkot or Sahiwal, as the case may be, over the operation and maintenance of any asset, facility or structure financed under the Project. Punjab shall cause Sialkot and sahiwal to ensure that ADB is promptly notified of any proposal to implement any such change and the notification includes sufficient details regarding the change. Punjab shall cause Sialkot and Sahiwal to ensure that any such change will be carried out in a a legal and transparent manner. Punjab agrees that, notwithstanding the provisions of this paragraph 19, ADB's written consent need not be obtained for any transfer of a water supply facility or sanitation facility that is done under paragraph 18 (a) above.	Para 19, Schedule to PA	Ongoing. To be monitored throughout the Project implementation.
Governance and Anticorruption 98. Punjab shall, and shall cause Sialkot and Sahiwal to, (a) comply with ADB's Anticorruption Policy (1998, as amended to date) and acknowledge that ADB reserves the right to investigate directly, or through its agents, any aleged corrupt, fraudulent, collusive or coercive practice relating to the project; and (b) cooperate with any such investigation and extend allnecessary assisstance for the satisfactory completion for such investigation.	Para 20, Schedule to PA	Ongoing. To be monitored throughout the Project implementation.
99. Punjab (through the LG&CD Department) shall ensure and cause Sialkot and Sahiwal to ensure that anticorruption provisions acceptable to ADB are included in all bidding documents and contracts, including provisions specifying the right of ADB to audit and examine the records and accounts of the executing and implementing agencies and all contractors, suppliers, consultants and other services providers as they relate to the project.	Para 21, Schedule to PA	Ongoing. To be monitored throughout the Project implementation.
100. Punjab (through LG&CD Department) shall provide updated information on the project on its website, including information on the performance of the	Para 22, Schedule to PA	Ongoing. LG&CD's website provide

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Covenant	Reference in Loan/Project Agreement	Status of Compliance
project, business opportunities, bidding process and guidelines, outcomes of bidding and summary progress reports.		reports on the project performance and outcome of bidding and summary progress reports.

Appendix 7

Utilization of Consulting Services Input
(Person-months)
PAM = project administration manual

Inputs of consultants' personnel were paid provisionally after October 2019 as VO3 was in process due to scarce available inputs of various experts. Now PMU and EPCM have signed the Variation Order No. 3 and is also approved by ADB. The inputs utilization of the consultants are being finalized for the previous months. However, Rs. 286.369 Million have been paid to the EPCM consultants till end of Q2/2020.

Appendix 8

Update on Financial Management and Sustainability Action Plans

Table A8.1: Update on Financial Management Action Plan

Risks	Actions	Res-ponsibility	Timing	Status of Compliance
Staffing Risk – Adequate financial management staff need to be approved, recruited, and fielded in the PMU and CIUs.	Key financial management personnel (comprised of [i] Finance Officer for the PMU and [ii] Budget and Finance Manager for both CIUs, an Accountant, and a Cashier in each of the PMU and CIUs, should be recruited and fielded. Additional support staff in PMU and CIUs to be recruited based upon workload. As needed, project implementation consultants will also provide additional support when the government delays its recruitment processes.	PMU and CIUs	Q4 2017, to be continued for project duration	This office advertised in Q1/2020 and interviewed in Q2/2020 some vacant positions including Director (Admin & Finance). The selected candidate will join soon in Q3/2020. Further, the Admin and Accounts Officers (AAO) of both Sahiwal and Sialkot were advertised with deadline as 10 December 2019. The AAO for Sahiwal has joined but for CIU, Sialkot the selected candidate did not join due to personal reasons. The unfilled position of AAO, Sialkot will be re-advertised in Q3/2020. Furthermore, the position of an Accountant / Cashier for PMU will also be advertised in Q3/2020.
Compliance Risk – Project financial management policies and procedures / financial covenants of the legal agreement are not fully followed.	Budget and Finance Manager to be responsible for preparation of project financial statements, disbursements, budget and expenditure monitoring, among others, and would ensure that policies and procedures are adhered to. Financial Policies and Procedures Manual (FPPM), based on earlier work by PIFRA, to be used for project financial management requirements. This document to be issued for use in all 3 units as a condition precedent to disbursement.	AGP LG&CD Department PMU, CIUs in both cities	Q4 2017, to be continued for project duration	Guideline given in Financial Management Manual, Accounting Policies & Procedures Manual (APPM) PAM, PC-I, Principles of Accounting issued by PIFRA is being followed in all 3 units.
No internal audit arrangements. Only pre-audit is conducted by the Accountant General's office while processing payments.	Internal audit function to be outsourced to a firm of chartered accountants for effective internal audit of PMU and CIUs. This is a condition precedent to	AGP LG&CD Department Punjab Finance Department	Q4 2017, to be continued for project duration	An Internal Auditor was appointed in June 2018, after approval of ADB, before disbursements started.

Appendix 8

Risks	Actions	Res-ponsibility	Timing	Status of Compliance
	disbursement.			
Financial and Operational Risk – PMU setup under LG&CD Department and CIUs in both MCs are new, with fully competent staff under recruitment. There may be operational issues and they would need guidance.	PMU and CIUs staff will be recruited early and trained.	LG&CD Department PMU	Q4 2017	Training of finance and accounts staff on financial management was conducted.
PMU and CIU staff does not have sufficient understanding of ADB's financial management requirements and disbursement procedures to manage the project fund flows which may contribute to delays in project implementation.	ADB to provide financial management training to clarify ADB's requirements including disbursement, financial reporting, and audit requirements.	ADB PMU	Q4 2017	Two days' training on processing of Withdrawal applications was provided to all PMU and CIUs staff by ADB.
Not a major risk as budgetary controls currently in use are effective.	The computerized financial management system developed by PIFRA can augment budgetary control.	AGP	Q1 2018	PMU/and CIU are following PIFRA chart of accounts however, the accounting is done in Excel – not in a fully automatic computer software.
Budget Execution Risk - delay in receiving funds from the government and actual expenditure deviating from budget estimates.	CIUs prepare and submit budget plan to MC, PMU, and Finance Department for approval and release of funds. PMU monitors the expenditures against budget on a monthly basis. Any deviations from approved budget require justification and approval by LG&CD Department. The Government of Punjab ensures adequate budget to be released to the project in one installment each year.	LG&CD Department Punjab Finance Department PMU CIUs	2017-2023	All payments to the contractors will be made from PMU advance account or through direct payment from ADB. Complied. Counterpart funds were received in August 2019 and February 2020. Funds for next financial year normally take a couple of months in release.
Financing Risk – Counterpart funds are not provided timely	PMU prepares 3 years' project budget and update on annual basis. The	LG&CD Department Punjab	2018-2023	PMU prepares budget for 2 financial years.

Appendix 8

Risks	Actions	Res-ponsibility	Timing	Status of Compliance
and adequately.	government allocates sufficient budget for counterpart funds and release these on a timely basis.	Finance Department PMU		
Incomplete and inaccurate financial reporting – Manual accounting processes increase likelihood of errors and omissions.	Computerized accounting and asset management system developed under PIFRA to be used for the project.	PMU	Q1 2018	Not being complied. Computerized accounting and asset management system may be used in future.
Compliance Risk – Audit requirements are not fully complied with due to external auditor's limited understanding of ADB's requirements.	AGP and ADB will jointly review audit requirements to ensure that the audit scope includes required opinion and assurances.	AGP ADB	Q1 2018	Ongoing
Delayed submission of financial reports undermines ADB's ability to assess capacity to implement, maintain, and operate the project.	Design financial reports in consultation with PIFRA so that the required reports are available online.	AGP LG&CD Department Punjab Finance Department PMU, CIUs	Q1 2018	Acceptable audited project financial statements are prepared and submitted to ADB.

Table A8.2: Update on Financial Sustainability Action Plan

#	Key Actions	Responsibility	Timeframe	Remarks	Progress Update
1	Based on "Willingness to Pay Survey" completed in 2016, conduct another consumer survey in both cities, to identify illegal connections and convert them to legal connections	Municipal Corporation Municipal Corporations of Sahiwal and Sialkot	November 2017	Project preparatory technical assistance[2] will finance this survey.	Pending. Will be done after hiring of ODBM consultant.
2	Undertake water tariff and wastewater tariff workshop(s) and public consultations.	PMU, CIUs, and ODBM consultants – see below (3)	February 2018	PICIIP Con_03 (Procurement Plan)	Pending. Will be undertaken after hiring of ODBM consultant.
3	Draft tariff policy and guidelines, which will focus on full recovery of operations and maintenance cost of urban services companies in the two cities.	ODBM consultants	April 2018	PICIIP Con_03 (Procurement Plan)	Pending. Will be drafted after hiring of ODBM consultant.
4	Establish a customer service and accounting units in urban service companies	CIUs and ODBM consultants	July 2018	PICIIP Con_03 (Procurement Plan)	Pending. Will be done after hiring of ODBM consultant.
5	Endorse the tariff policy and guidelines.	Municipal Corporation Municipal Corporations with CIUs support	September 2018		Pending. Will be done after hiring of ODBM consultant.
6	Start water meters installation (Output 1 of the design and monitoring framework)	CIUs with PMU support	Start June 2018	PICIIP-03-WATER (Procurement Plan - goods)	Pending. Will be done after hiring of ODBM consultant.
7	Improve collection efficiency of water tariff and wastewater tariff collections in both cities, by 3% per annum, starting from FY2018.	Municipal Corporation of Sahiwal and Sialkot, and Utility Service Companies of both cities	From FY2019		Pending. Will be done after hiring of ODBM consultant as well as after implementation of water supply and sewerage services in cities
8	Introduce a policy for annual inflation-linked increase in water and wastewater tariffs (plot area and usage type).	Municipal Corporation Municipal Corporations with CIUs and ODBM consultants	April 2019		Pending. Will be done after preparation of policy by ODBM consultant.

[2] ADB. 2014. *Technical Assistance to Pakistan for Punjab Intermediate Cities Improvement Investment Program*. Manila.

Appendix 8

#	Key Actions	Responsibility	Timeframe	Remarks	Progress Update
9	Implement volumetric water and wastewater tariff, for all prepaid and post-paid meter connections.	Municipal Corporations with CIUs and ODBM consultants	June 2019 Progressively for all users of pre- and post-paid meters		Pending. Will be done after preparation of policy by ODBM consultant
10	Expand coverage of meters (pre- and post-paid) along with volumetric tariff among the population of both cities	Municipal Corporations with CIUs and ODBM consultants	Q1 2020	Progressively, expand at the rate of 15% of consumers each year	Pending. Will be done after preparation of policy by ODBM consultant

CIU = City Implementation Unit, FY = fiscal year, ODBM = operational design and business model, PICIIP = Punjab Intermediate Cities Improvement Investment Project, PMU = Project Management Unit.

Appendix 9

Table A 9.1: Update on Gender Action Plan

Activities/Measures	Indicators/Targets	Responsibility	Time frame	Progress To-date
Outcome: Improved access to quality urban services by the residents of Sahiwal and Sialkot cities				
Outputs 1 and 2: Water supply and sanitation systems improved				
1/2.1 Ensure the installation of water meters to households in Sahiwal and Sialkot	• 15,000, metered water connections in Sahiwal and Sialkot.	PMU CIUs	Year 2-4	No water meter is installed yet; it is planned to be installed in Q3/2021 under the supervision of urban mobility design. However, 7000 water meter will be installed in Sahiwal while 9600 water meters will be installed in Sialkot. 1600 meters have also been increased as target in the plan. Now total 16,600 meters will be installed as per procurement plan.
1/2.2 Ensure participation of women in project consultations	• Conduct focus group discussions with at least 50% women participation before finalizing water and sanitation schemes in Sahiwal and Sialkot.	PMU CIUs	Year 1	FGDs questionnaire was reviewed and finalized with the consultation of PMU and ADB staff members. FGDs field plan has been rescheduled due to current COVID-19 pandemic situation in Pakistan. Total 6 FGDs would be conducted in 6 selected Union Councils of both targeted cities in the upcoming quarter (July to September). Criteria were developed after mapping exercise of Union Councils in both cities for selecting them properly.
1/2.3 Ensure women's participation as WASH focal persons	• At least 15% of trained WASH behavior change and health and hygiene focal persons are women. • WASH related training provided to household members in all project communities, with 30% women participation.	PMU CIUs Urban Services Companies	Year 1-6 On-going basis	An outline for WASH training Manual has been developed and finalized with the help of GRA, PMU and ADB concerned staff**.** The manual is in the development phase and will be completed and handed over to PMU for execution of WASH trainings in the month of July.

Appendix 11

Activities/Measures	Indicators/Targets	Responsibility	Time frame	Progress To-date
1/2.4 Establish a gender-inclusive grievance redress mechanism	• Gender-inclusive grievance system for water supply and sanitation concerns, include widely advertised cell phone and toll-free numbers, and trained responders/telephone operators (10% female). • At least 25% female participants in grievance redress meetings/consultations .	PMU CIUs Urban Services Companies	Year 1-6	Grievance Redressal Committees have been constituted for Sahiwal and Sialkot in the last quarter. The first tier of GRC has been constituted with two female members; they participated actively in the meetings and held consultative meetings with the displaced persons as well. Total nine complaints (eight for GRC at Sahiwal & one for GRC at Sialkot) were registered during the period of April - June 2020 while total 14 complaints have been registered since February 2020. All complaints were related to land acquisition. No toll-free numbers operate as grievance redressal mechanism. However, a brochure has been developed which contain information about the project with address, emails and contact numbers. Furthermore, SMS were sent to all displaced persons so that, they could easily register their complaints. The committee has received complaints from different mediums such as through courier to PMU. Displaced persons directly send emails to ADB, PMU and PICIIP. Some complaints were received through applications by hand in the meeting of GRC. Affectees of land acquisition also registered their complaints through WhatsApp and telephone calls. After receiving the complaints Grievance Redressal Committee arranged meetings for proper hearing of complaints and unanimously decided the matter. It was observed that no complaint was received from women. However, one complaint received at GRC, Sialkot that was on behalf of displaced persons of Chak Kala. Razia Bibi was one of the affectees.

Appendix 11

Activities/Measures	Indicators/Targets	Responsibility	Time frame	Progress To-date
Output 3: Urban public spaces improved				
3.1 Promote women's and girls' safe access to urban public spaces	• At least 8 of 11 (or 70%) city parks rehabilitated/constructed, have allocated a safe "women's space" for sports, recreational, or other activities participated in by majority women. • At least one outdoor space for women's sports.	PMU CIUs	As per implementation schedule	Four parks are under construction in Sialkot while three are being constructed in Sahiwal. The progress of parks in Sahiwal and Sialkot is 15.4% and 33.25% respectively. However, no work has been done for providing outdoor space for women's sports in this quarter. Females were part of design team of parks and it is ensured to provide women friendly features in parks. All parks in Sahiwal are family parks and will have separate washrooms for women, jogging & walking tracks, gazebos for sitting, ramps for disable women and Kiosk will also be constructed. Out of four parks in Sialkot city, two are purely ladies and children parks exclusively dedicated for women i.e. Abdul Hakeem and Ladies & Children park Model town. In both parks, Jogging and walking tracks are purely for women. Moreover, an open Gymnasium in Ghulshan e Iqbal park is planned to be outlined that will be surrounded by high and thick trees and specific timing for women will be allocated. All parks in Sialkot will have separate washrooms for females, ramps for disables and sitting areas for women.

Appendix 11

Activities/Measures	Indicators/Targets	Responsibility	Time frame	Progress To-date
3.2 Install gender-inclusive facilities in bus terminals	All three bus terminals upgraded to include: • Separate female and male toilets, with provisions for diaper changing stations. • Visible anti-sexual harassment messages on posters on the walls and in television monitors. • Well-lit comfortable waiting areas with an exclusive (cordoned off) waiting area for females. • Allocation of at least 1 commercial space for women vendors in (or surrounding) bus terminals.	PMU CIUs	Year 3 or as per implementation schedule	As per plan, three bus terminals will be upgraded. However, in this quarter no progress is made due to the site selection issues. The reason of this situation is construction/operations of new motorways in cities, which lead change in preference of traffic to other roads that requires a complete study on the transport component in both cities. An urban mobility transport consultant shall be hired under PICIIP to carry out the traffic analysis in both cities. **TORs** of this consultant are being finalized currently. Working on bus terminals has been scheduled to start in Q3, 2021.
3.3 Ensure ease of access to, and safety of women, children, elderly, and persons with disabilities on the pedestrian footpaths to be constructed/ rehabilitated	• Pedestrian footpaths include sufficient lighting, appropriate directional signs in local language, and access ramps for wheelchairs and prams.	PMU CIUs	Year 4 or as per implementation schedule	No progress is reported in the quarter.

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Activities/Measures	Indicators/Targets	Responsibility	Time frame	Progress To-date
Output 4: Institutional support and capacity developed				
4.1 Incorporate gender concerns in newly developed capacity development program for PMU, PIU, and Urban Units	• Capacity development program includes how to identify and address gender-related concerns in the provision of water supply and sanitation services, as well as in the management of public urban spaces. • At least 80% of staff of PMU, CIUs, and Urban Units underwent capacity development training with integrated gender concerns. • At least 80% of existing relevant female staff in each city participated in the newly designed capacity development program.	PMU CIUs	Year 1 onwards	Institutional Development Specialist has been hired and he is on board from April 2020. While status is same as previous QPR. While rehabilitation of Lala Musa Training academy is under construction and Training Academy at Lahore is being constructed by PICIIP.
4.2 Ensure participation of female technical and financial management staff in trainings	• At least 10% female participants in technical and financial management trainings conducted for staff of PMU, CIUs, and Urban Services Companies.	PMU CIUs	Year 1 onwards	No training was held in this quarter due to COVID-19 situation in Pakistan.

Appendix 11

Activities/Measures	Indicators/Targets	Responsibility	Time frame	Progress To-date
4.3 Ensure the regular collection of sex-disaggregated data and reporting of GAP implementation results	• Project management information system includes gender indicators and regularly populated with sex-disaggregated data. • Project progress reports include a section on GAP implementation.	PMU CIUs	Year 1 onwards	Not yet done. ODBM consultant, who will be hired in Q4 of 2020, will establish Management Information System.
4.4 Ensure significant women's participation in customer satisfaction surveys	• 50% women respondents in customer satisfaction surveys. • Report on customer satisfaction is sex-disaggregated.	PMU Urban Units Urban Services Companies	Year 1-6	Not done yet. EOI of ODBM consultant is advertised in Q2, 2020. After hiring of ODBM consultants, customer satisfaction surveys will be conducted ensuring significant women participation.
4.5 Hire a social and gender specialist in the PMU	• GAP implementation carefully monitored and gender results are reported in progress reports and project completion report. • Qualitative information on how the project has positively impacted women's lives, gathered and recorded.	PMU	Year 1-6 (Starts within 6 months of setting up the PMU)	GAP Implementation monitoring track sheet has been designed and shared to the concerned persons to get the results. Data tools and plan will be designed latter to gather the qualitative information with the consultation of concerned ADB and PICIIP teams.

CIU = city implementation unit, GAP = gender action plan, PMU = project management unit, MC= Municipal Cooperation, WASH = water, sanitation, and hygiene, TORs= Terms of Reference EOI = Expression of Interest, ODBM= Operational Design Business Model

Appendix 10

Update on Reporting Compliance

No.	Name of Report	Reference in Loan/Project	Due Date	Actual Submission Date	Remarks [3]
1.	Periodic Report (QPR) on Project Execution	Section 2.08 (b) Project Agreement (PA)	Within 15 days after end of the quarter to which it relates.	15 April 2020	Submitted on 16 April 2020
2.	Audited Project Financial Statements	Section 2.9 (a) Project Agreement (PA)	31 December every year	-	Submitted in time directly by AGP
3.	Bi-annual Safeguards Monitoring Report	PAM Para 84 (xii), and Para 10 (a), Schedule to PA	Within one month of the reporting period.	-	Semi-annual environmental monitoring report will be due in Q3/2020.
4.	Report on actual or potential breach of compliance with ESMS, EMP, LARP, or IPP	Para 12 (c), Schedule 4, LA	Promptly after becoming aware of breach.	-	Not due yet as no breach has been done so far.
5.	Completion Report	Section 2.08 (c) Project Agreement	Within 3 months of project physical completion.	-	Not yet due June 2024

QPR = quarterly progress report.

[3] *{If not complied give reasons for non-compliance and possible / expected date of compliance}.*

Appendix 11

Update on Actions Agreed with Last ADB Missions

Sr. No	Issue	Action to be Taken	Due Date / By Whom	Current Status	Revised Due Date/ Agreed Action
1.	Phase 2 Procurement of Civil Works packages	Sahiwal water supply and sanitation (W&S) PC-1s is in Local Government department for scrutiny and will be submitted to P&D. NESPAK submission of PC-1, DED, DDR, Drawings, BOQs of following projects is expected;	PMU / LGCCD Sahiwal water supply and sanitation (W&S) PC-1s have been submitted to P&D . NESPAK will submit the DED, Drawings, BOQs and Technical Specifications of said projects on	PDWP has approved the PC-Is of Sahiwal North and South Zone Water and Sanitation with the advice to revise the PC-I cost as per MRS 1st biannual of 2020 dated April 10, 2020. Bids were called for this package with a deadline of June 15, 2020. Bid evaluation is in process.	Approval of PC-I Achieved Advertisement Sent, Bid evaluation in process, Contract Award will be made in Q3/2020
		Sahiwal Waste Water Treatment Plant	i. 31 January 2020 (North Zone)	The PC-I for Sahiwal North Zone WWTP is submitted to P&D Department for PDWP approval.	Approval of PC-I by 25-07-2020 Advertisement by 30-07-2020
		Sialkot water supply and sanitation (W&S)	ii. 31 March 2020 (North Zone STP)	PC-I has been submitted to P&D Department for PDWP approval.	Approval of PC-I by 25 July 2020 Advertisement by 30 July 2020
		Sialkot Waste Water Treatment Plant	iii. 15 April 2020 (North Zone)	PC-I has been submitted to P&D Department for PDWP approval.	Approval of PC-I by 25 July 2020 Advertisement by 30 July 2020
2.	Staffing matters	Hiring of remaining staff for PMU and CIUs in ongoing and will be completed soon	PMU / LGCCD Staff will join in march-2020. Advertisement for hiring of remaining 4 positions published on 03 March 2020.	Details of newly recruited staff is indicated in Appendix – 1 Update on Staff Appointments (PMU and CIUs). 4 positions were advertised and applications have been received in Q1/2020. Shortlisting has	Q3/2020

Appendix 11

Sr. No	Issue	Action to be Taken	Due Date / By Whom	Current Status	Revised Due Date/ Agreed Action
				been made with the consent of ADB and interviews conducted on 26 June 2020. Candidates for two positions i.e. Director M&E and Director F&A got selected and will join in Q3/2020. The post of DPD is being filled through transfer basis from Govt. Employees. Rest of the positions will be advertised in Q3/2020.	
3.	Restructuring of the project scope	In August 2019, the master plan for Sahiwal was approved by the Government, whereas the approval of the master plan for Sialkot and scope finalization and prioritization is still awaited. Prioritization of key subprojects, and their procurement and implementation schedule are nearing finalization, and accordingly and updated procurement plan (PP) shall be submitted to ADB.	PMU / LGCDD to submit PP by 15 December 2019	PP has been submitted to ADB based on prioritized projects. ADB approved the Procurement Plan dated 13 May 2020. This approved PP version 4 has been revised and approved by ADB dated 7 July 2020.	Achieved

Appendix 11

Sr. No	Issue	Action to be Taken	Due Date / By Whom	Current Status	Revised Due Date/ Agreed Action
4.	Hiring of Individual Consultants	Project scope initially included hiring of Project Management, Coordination and Capacity Building Consultant (Firm) under the institutional support. The P&DD later decided to hire individual consultants instead of the firm to help the PMU for required due diligence and capacity development. PMU is to prepare PC-II for the required inputs, process necessary approvals and hire/mobilize required individual consultants by Dec 2019.	PMU / LGCD D by 31 March 2020 Short listing and Evaluation is in process.	5 individual consultants signed their contracts by 23 April 2020 and Started provision of their services after issuance of Notice to proceed by PMU PICIIP dated 8 May 2020. The TORs of smart city development specialist and urban development specialist are under review and positions will be advertised after finalization of TORs.	30 April 2020
	Hiring of Consultant Firms	Project also requires services of Operational Design & Business Model (ODBM) consultants. EOI were floated in July 2019 and received by 18 September 2019. Submission 1 was approved in October 2019 and RFP has been issued. Proposals are expected to be received by 18 December 2019 and consultant will be on-boarded by Q1-2020.	PMU / LGCD D to mobilize consultant by 31 March 2020		During the 2nd round of procurement process, no firm got qualified therefore TORs have been revised and ADB has approved the revised draft of TORs for ODBM and the EOIs are advertised for the 3rd time with a closing date of 10 July 2020.

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Sr. No	Issue	Action to be Taken	Due Date / By Whom	Current Status	Revised Due Date/ Agreed Action
5.	Variation in Consultants' Contract	A variation in the EPCM consultants' contract is pending to incorporate additional scope of work in Sialkot and Sahiwal. The PMU and consultants have agreed on the details of the variation and once the revised PC-II is approved by the PDWP, the decision will be communicated to ADB for review and approval.	PMU and NESPAK by March 2020.	The VO3 is signed between PMU PICIIP and EPCM consultant and has been sent to ADB for approval dated 27 February 2020. – NOC received from ADB dated 7 May 2020	Achieved
6.	Land Acquisition	Government of Punjab has to acquire 400 acres (3 Sites) identified for sewerage treatment plants (STP) in Sahiwal and Sialkot. Award of civil works contracts of $130 million (Water Supply and Sanitation component) schemes prioritized under master planning will remain subject to land acquisition of STP sites in both cities. The plan for land acquisition for STP as well as Landfill Sites have to be finalized along with options of ADB financing the land acquisition.	PMU / LGCD D Draft LARPs are under preparation and will be shared for ADB approval by 15 April and 1 June 2020 Respectively.	PICIIP-03-Sahiwal (Lot#3) and PICIIP-08-A-Sahiwal WWTP, Section 09 is to be notified after BOR meeting. PICIIP-03-Sahiwal (Lot #4) Section 05 is to be notified. This is delayed from Lot#3 as land was relocated. PICIIP-12-Sialkot-WWTP (154 acres), Section 9 to be issued after BOR meeting. PICIIP-11-Sialkot (Lot#3) and PICIIP-12-Sialkot WWTP (84 acres) Section 4 to be issued and PC-I to be revised due to land relocation for influent pumping station (PICIIP-11-Sialkot: Lot 3), and additional requirement of 84 acre land for PICIIP-12-Sialkot WWTP.	Issuance of section 9: 17 August 2020 Issuance of section 5: 17 August 2020. Draft LARP will be submitted to ADB for approval by 15 August 2020 for Sahiwal WWTP. Issuance of section 9: 17 August 2020 Issuance of section 5: 17 August 2020. Draft LARP for Sialkot will be submitted to ADB by 20 September 2020 for Sialkot.

Appendix 12

Pictures of On-going Projects

PICIIP-01-Public Spaces: Lot 1 Upgradation of 3 Existing Parks in Sahiwal

Picture 3: Plaster work for Boundary wall in Fateh Sher Park

Picture 4: Plaster work for Security Room in Fateh Sher Park

Picture 5: Earth Filling in Fateh Sher Park

Picture 6: Plastering of Planters in Fateh Sher Park

Appendix 12

Picture 7: Brick work for Central Planter in Chaman Zar Park

Picture 8: Brick work for Central Planter in Chaman Zar Park

Picture 9: Steel binding of column footing for Gazebo Chaman Zar Park

Picture 10: Inspection of Walkway by SRE NESPAK during his visit of Chaman Zar Park on 22-06-2020

Appendix 12

Picture 11: Inspection of work by SRE NESPAK during his visit of Farid Town Park on 22-06-2020

Picture 12: Brick work at Toilet Block in Farid Town Park

Picture 13: Brick work for Walkway in Farid Town Park

Picture 14: Collection of Water Samples for 2nd Quarter Quality Testing

Appendix 12

Picture 15: Collection of Water Samples for 2nd Quarter Quality Testing

Picture 16: Site Meeting by Deputy Commissioner Sahiwal at Farid Town Park on 13-06-2020

Picture 17: Visit of Fateh Sher Park By Deputy Commissioner Sahiwal on 13-06-2020

Picture 18: Field Meeting by Senior Resident Engineer NESPAK in Farid Town Park on 23-06-2020

Appendix 12

Picture 19: Emergency Numbers Sahiwal Parks

Picture 20: Waste Bin at Sahiwal Parks

Picture 21: Sign Board, Sahiwal Parks

Picture 22: Sign Board, Sahiwal Parks

Appendix 12

PICIIP-01-Public Spaces: Lot 2 Upgradation of 4 Existing Parks in Sialkot

Picture 23: Wood Work of Gazebo in Abdul Hakeem Park

Picture 24: Walkways PCC in Silakot Fort Park

Appendix 12

Picture 25: Gardner Rooms at Gulshan-e-Iqbal Park

Appendix 12

Picture 26: Kiosks at Gulshan-e-Iqbal Park

Picture 27: Toilet at Sialkot Fort Park

Appendix 12

Picture 28: Planter at Gulshan-e-Iqbal Park

Picture 29: Gazebo at Gulshan-e-Iqbal Park

Appendix 12

Picture 30: Walkways in Abdul Hakeem Park

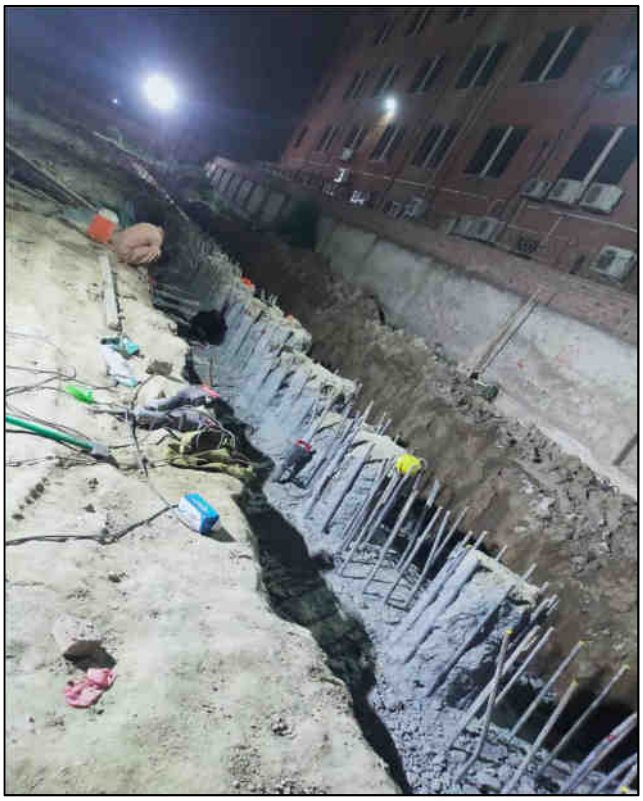
Picture 31: Walkways in Abdul Hakeem Park

Appendix 12

Picture 32: Fire Extinguishers in Abdul Hakeem Park

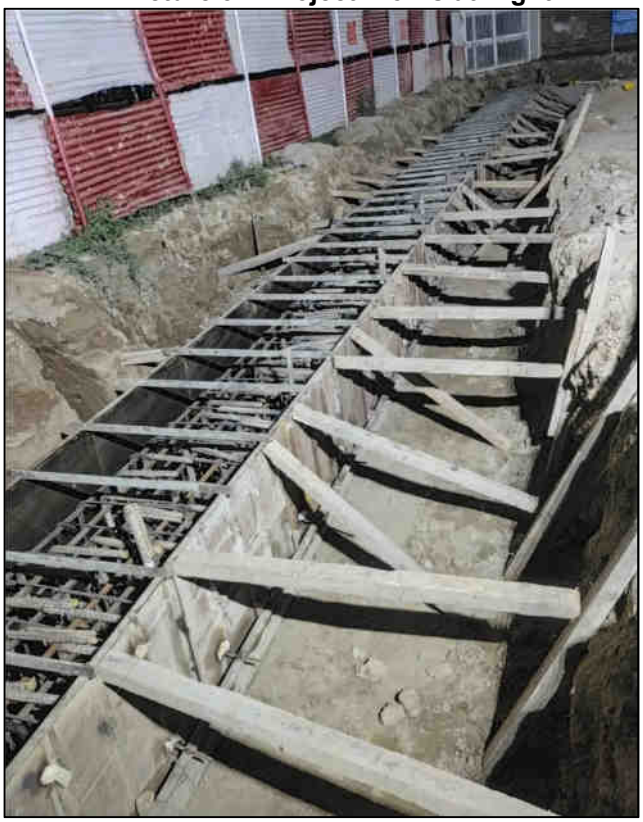
Picture 33: COVID-19 Awareness Campaign

Appendix 12



Picture 34: Project Works at Night

Picture 35: Steel fixing for Capping Beam

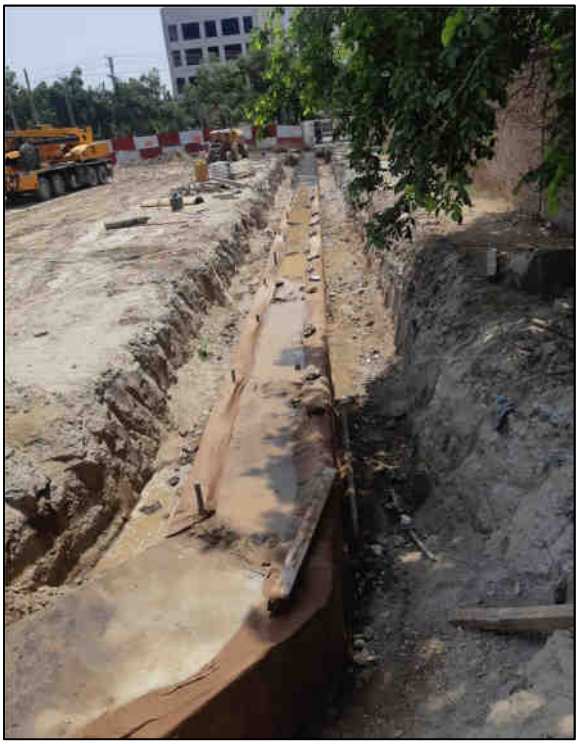


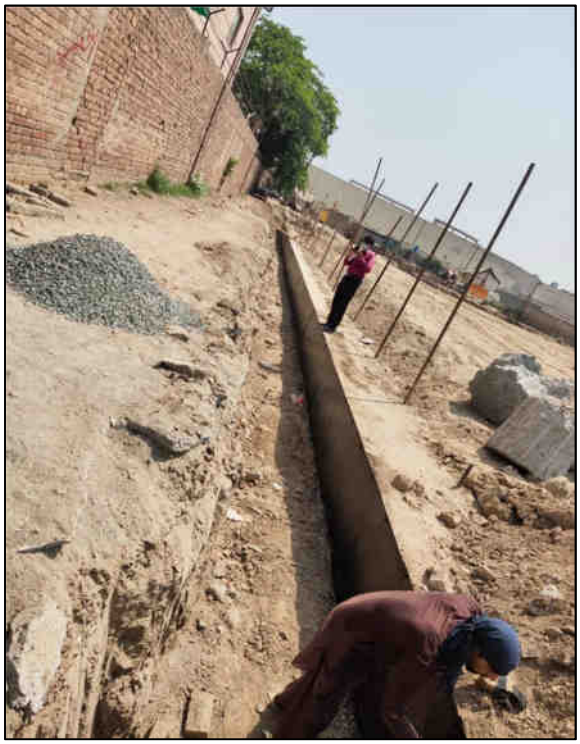
Picture 36: Formwork for Capping Beam

Picture 37: Finishing of Capping Beam

Appendix 12

Picture 38: Main Entrance Gate of Project Site





Picture 39: Curing of Capping Beam

Picture 40: Application of Cold Bitumen on Soil Contact Side

Picture 41: Visit of Sui-Gas Rep. for shifting of Lines

Picture 42: On Field testing

Picture 43: Briefing to Chief Minister Punjab on Punjab Local Govt. Academy Lahore

Appendix 12

PICIIP-02-SWM, Water and Sanitation EquipmentSWM

Picture 44: Handing over Ceremony of 36 Mini Tippers to District Authorities

Picture 45: Inspection of Proto-Type of Dewatering Pump

Picture 46: Inspection of Proto-Type of Dewatering Pump

Picture 47: Inspection of Proto-Type of Dewatering Pump