

Quarterly Progress Report # 5

Project Number: 46526-007
Loan Number: 3562-PAK
Date: January 2021

Punjab Intermediate Cities Improvement Investment Project

QPR for the reporting period 1 October 2020 to 31 December 2020
Prepared by Project Management Unit of PICIP, 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

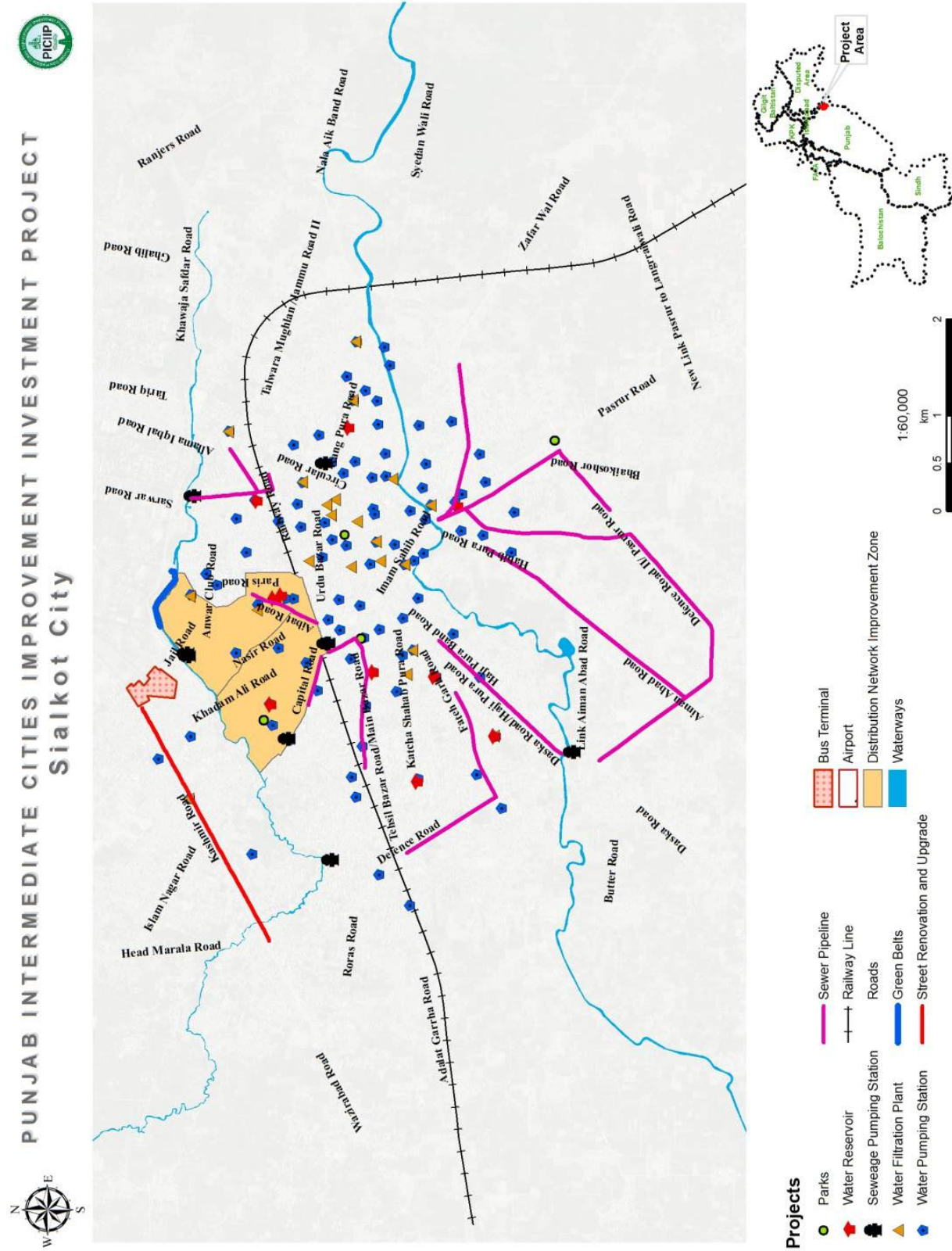
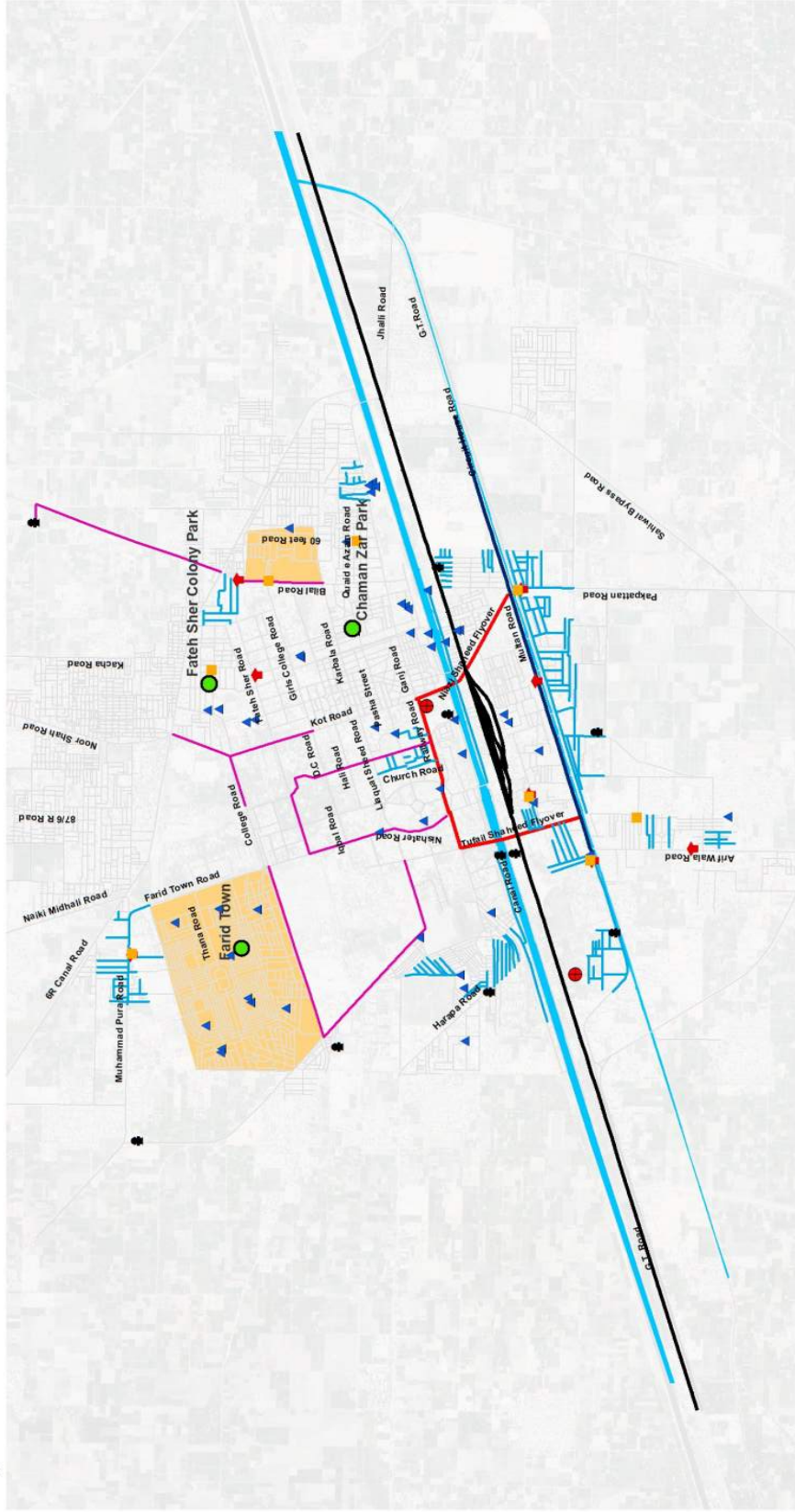


Figure 1: Map showing sub projects of Sialkot



PUNJAB INTERMEDIATE CITIES IMPROVEMENT INVESTMENT PROJECT
Sahiwal City



Projects

- Bus Terminal
- Water Reservoirs
- Parks Shaiwal
- Sewer Pumping station
- ▲ Water Pumping Stations
- ▲ Water Filtration Plant
- Street Renovation and Upgrade
- Railway_Track
- Sewer Pipelines
- Water Pipelines
- Street Renovation and Upgrade
- Roads
- Water Ways
- Distribution Network Improvement Zone

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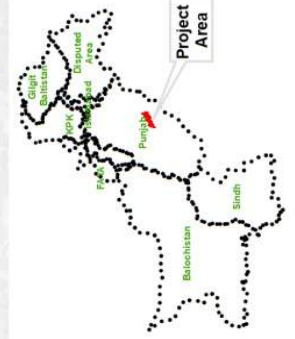


Figure 2: Map showing sub projects of Sahiwal

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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	<ul style="list-style-type: none"> Water and other urban infrastructure and services 		Subsector(s)	<ul style="list-style-type: none"> 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: <i>Living standards, health, and economy in Sahiwal and Sialkot improved (Punjab Growth Strategy 2018)</i>																																		
Outcome	Access to quality urban services by the residents of Sahiwal and Sialkot cities improved																																		
Outputs	<ol style="list-style-type: none"> <u>Water supply systems improved</u> through installation and rehabilitation of 114 boreholes and tube wells (Sahiwal-19; Sialkot-95); 16 water reservoirs (Sahiwal-11; Sialkot-5);; 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. <u>Sanitation systems improved</u> 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. <u>Urban public spaces improved</u> 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). <u>Institutional support and capacity developed</u> 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	16 Nov – 3 Dec 20																														
Time Elapsed versus Contract Awards and Disbursements (Cumulative as of 31 December 2020)																																			
Elapsed Time %	48	100	Disbursement %age	17.95	100																														
CAD Performance of the Year 2020 (Table 1)																																			
Contract Award 2020 (Projected vs Actual)			Disbursement 2020 (Projected vs Actual)																																
<table border="1"> <caption>Contract Award 2020 (Projected vs Actual)</caption> <thead> <tr> <th>Quarter</th> <th>Projected (US\$)</th> <th>Actual (US\$)</th> </tr> </thead> <tbody> <tr> <td>Q1</td> <td>0</td> <td>0</td> </tr> <tr> <td>Q2</td> <td>0.20</td> <td>0.22</td> </tr> <tr> <td>Q3</td> <td>2.31</td> <td>0.00</td> </tr> <tr> <td>Q4</td> <td>55.00</td> <td>56.52</td> </tr> </tbody> </table>			Quarter	Projected (US\$)	Actual (US\$)	Q1	0	0	Q2	0.20	0.22	Q3	2.31	0.00	Q4	55.00	56.52	<table border="1"> <caption>Disbursement 2020 (Projected vs Actual)</caption> <thead> <tr> <th>Quarter</th> <th>Projected (US\$)</th> <th>Actual (US\$)</th> </tr> </thead> <tbody> <tr> <td>Q1</td> <td>0</td> <td>0</td> </tr> <tr> <td>Q2</td> <td>0</td> <td>0</td> </tr> <tr> <td>Q3</td> <td>4.02</td> <td>3.96</td> </tr> <tr> <td>Q4</td> <td>14.12</td> <td>16.06</td> </tr> </tbody> </table>			Quarter	Projected (US\$)	Actual (US\$)	Q1	0	0	Q2	0	0	Q3	4.02	3.96	Q4	14.12	16.06
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B. Office Establishment and Staffing

1. Key staff strength in PMU and CIUs is thirty-six. Five positions are vacant currently, out of which four were advertised in Q4/2020 for which shortlisting is in process. Deputy Program Director, from government service has joined PMU in Nov 2020.
2. In addition to PICIIP Phase-1, loan for Project Readiness Facility for Punjab Urban Development Projects has also been signed with ADB. 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. Current Detail of staffing is attached as **Appendix 1**. 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/CIU Establishment to further facilitate PMU working.

C. Utilization of Funds

i) Contract Awards

3. Expressions of Interests 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 on 14 May 2020. EOIs were submitted by 10 firms on 10 July 2020. 6 Firms were shortlisted by Consultant selection committee and RFPs were issued to shortlisted firms on 21 August 2020, after ADB approval. Four (0) Firms submitted technical and financial proposals for ODBM Consultancy dated 19 October 2020. Submission 2 has been made to ADB dated 18 December 2020 for which NOC is awaited.
4. Expression of Interests for Urban Mobility Design and Supervision Consultant were called on 17 August 2020. Date of submission of EOIs was extended by 2 weeks for lack of participation of firms. 10 firms submitted proposals on 5 October 2020. 6 Firms were shortlisted by Consultant selection committee and RFPs were issued to shortlisted firms on 5 November 2020 after ADB approval. The deadline of proposal submission by the firms is 8 January 2021.
5. Expression of Interests for Consultant firms for Capacity Building of Local Government & Community Development Department were called on 17 October 2020 with submission deadline of 17 November 2020. 17 firms submitted EOIs for which shortlisting is in process.
6. Expression of Interests for Audit and Finance Consultant Firm were called on 17 October 2020 with submission deadline of 19 November 2020. 7 firms submitted EOIs for which shortlisting is in process.
7. Expression of Interests for hiring of individual consultant for External Monitor (Social Safeguard), Urban Development Specialist and Smart Cities Development Specialist were called on 20 June 2020, 24 July 2020 and 11 August, 2020 respectively. Three consultants have been mobilized after fulfilling the process as per ADB guidelines.
8. PMU has submitted request to Consultant Selection Committee for hiring of individual consultants for M&E Specialist, Municipal Finance Specialist, Legal Expert, Urban Economist and PPP Specialist.
9. ADB provided 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. PMU submitted Technical bid evaluation

bidders for Lot 2, Lot 3 and Lot 4 and re-advertised bids for Lot 1 under PICIIP-03 Procurement of Works for Sahiwal-Water and Sanitation. Price bids were opened for Lot 2, 3 and 4 dated 17 August 2020. After financial evaluation, price bid evaluation report was submitted to ADB via PMU email dated 27 August 2020 and the revised PBER received via email on 11 September 2020. Based on the information provided, ADB gave the no objection for contract award to the lowest evaluated substantially responsive bidders on 15 September 2020 and the Letter of Acceptance was issued on the same date. Contract for PICIIP-03 Sahiwal WATSAN Lot 2 was signed on 13 October 2020. Contract signing for Lot 3 and 4 is pending owing to the approval of implementable Land Acquisition and Resettlement Plans (LARPs) of these lots from ADB.

10. Advertisement for re-invitation of bids for PICIIP-03 Sahiwal WATSAN Lot 1 was published dated 17 August 2020. Bids were opened on 21 September 2020 and 5 bids received. Technical Bid Evaluation Report was shared with ADB and no objection received on 13 October 2020. Financial bids were opened on 16 October 2020. Financial bid evaluation report shared with ADB on 26 October 2020 for which ADB gave their no objection on 29 October 2020. Subsequently LOA issued to lowest evaluated substantially responsive bidder and contract was signed on 17 November 2020.

11. Advertisement for invitation of bids for PICIIP-11 Sialkot WATSAN Lot 1, 2, 3 and 4 was published dated 28 August 2020. Bids were opened on 28 September 2020 and Technical Bid Evaluation Report submitted to ADB dated 19 October 2020. Financial bids were opened after receiving NOC from ADB dated 26 October 2020 and report shared with ADB dated 9 Nov 2020. ADB NOC received dated 12 Nov 2020 and LoA issued to lowest evaluated substantial bidders dated 13 Nov 2020. Contracts for Lot 1, 2 and 4 were signed dated 25 Nov 2020, however contract signing for Lot 3 is pending owing to the approval of implementable LARP from ADB.

12. Advertisement for invitation of bids for PICIIP-08A Sahiwal WWTP was published dated 18 September 2020 date of 2 November 2020. Bid submission date was extended to 10 Nov 2020. Six (06) firms submitted bids and technical bid evaluation report has been shared to ADB dated 22 December 2020. After receiving NOC from ADB, Price bid opening has been scheduled dated 1 January 2021.

13. Advertisement for invitation of bids for PICIIP-12 Sialkot WWTP was published dated 24 September 2020 with the bid submission date of 5 November 2020. Bid submission date was extended to 26 November 2020 and 5 firms have submitted the bids which are under technical evaluation.

14. 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.

15. ADB has approved the version 8 of the Procurement Plan vide aide memoir of Mid-term Review (MTR) Mission held from 16 November – 3 December 2020. Detail of all procurement and

ii) **Project Expenditure**

16. Against a 50% of project lapsed period, the financial disbursement progress is \$ 35.909 million i.e. 17.95% of total loan amount. At the end of the period under report, the cumulative project expenditure stood at \$ 34.314 million. This includes: (i) \$ 25.231 million from ADB OCR loan, and (ii) \$ 9.083 million from local (counterpart) contribution.

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

The MTR Mission concurred that the project had faced more than 18 months of start-up delays due to the following reasons, (a) project start-up delays caused by lack of project readiness at the time of project processing, indecision on project scope in the initial years, and lack of ownership of the project by LG&CDD and P&D Department due to frequent change in Government regimes; (b) delay in staffing of the PMU and CIUs; and (c) delay in institutional procurements and consultants' recruitment the current CAD projections are unrealistic and should thus be revised as per the on-ground situation of the project interventions. Hence the project CAD targets were revised and details are as follows;

Table 1: CAD Performance of the Year 2020

Period	Contract Awards (\$million)			Disbursement (\$million)		
	Projected (Dec 2020)	Actual	Achieved %	Projected (Dec 2020)	Actual	Achieved %
Quarter 1 (Jan-Mar)	0.000	0	0	0.000	0	0
Quarter 2 (Apr-Jun)	0.200	0.22	109.5	0.000	0	0
Quarter 3 (Jul-Sep)	2.310	0	0	4.020	3.961	98.53
Quarter 4 (Oct-Dec)	55.00	56.521	102.77	14.120	16.055	113.70
Total 2020	57.510	56.741		18.140	20.016	

PICIIP-01-Public Spaces

17. 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 (\$ million)	Paid till Q3 2020 (\$ million)	Paid in Q4 2020 (\$million)
1	PICIIP-01-PUBLIC SPACES: Lot 1 Upgradation of 3 existing parks in Sahiwal	0.963	0.319	0.146
2	PICIIP-01-PUBLIC SPACES: Lot 2 (upgradation of 4 existing parks in Sialkot)	1.926	0.538	0.236

Note: Conversion Rate: 1\$ = 160 RS

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

18. 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 Q3 2020 (\$)	Paid in Q4 2020 (\$)
1	PICIIP-02- SWM, Water and Sanitation Equipment (Lot 1)	2,036,269	203,627	474,499
2	PICIIP-02- SWM, Water and Sanitation Equipment (Lot 2)	1,694,107	596,788	785,920
3	PICIIP-02- SWM, Water and Sanitation Equipment (Lot 3)	2,037,736	433,537	168,200

PICIIP-14-PLGA Lahore

19. 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 (\$million)	Paid till Q3 2020 (\$million)	Paid in Q4 2020 (\$million)
1	PICIIP-14 PLGA, Lahore	11.648	2.858	1.074

20. The details of the contracted amount and payments for package PICIIP-03-WATSAN Sahiwal is as under:

Table 5: Payment Details PICIIP-03-Water Supply & Sanitation Works for Sahiwal

Sr. No.	Name of Contract	Contract Value (\$million)	Paid till Q3 2020 (\$million)	Paid in Q4 2020 (\$million)
1	Lot - 1	12.867	-	2.573
2	Lot - 2	13.301	-	2.660

21. The details of the contracted amount and payments for package PICIIP-11-WATSAN Sialkot is as under:

Table 6: Payment Details PICIIP-11-Water Supply & Sanitation Works for Sialkot

Sr. No.	Name of Contract	Contract Value (\$million)	Paid till Q3 2020 (\$million)	Paid in Q4 2020 (\$million)
1	Lot - 1	11.963	-	2.392
2	Lot - 2	11.406	-	2.281
3	Lot - 3	7.179	-	1.435

iv) **Counterpart Funds:**

22. The counterpart funds amounting to Rs. 300.00 million have been released for the current financial year.

Table 7: 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	300.000	265.005	88.33
Total (PKR Million)		850.137	1,333.484	1,267.645	

D. Implementation Progress by Component

23. 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.

24. The project is aligned with the following impacts: improved living standards, health and

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

a. Preparatory Work

25. The water supply and Sanitation master plan for Sahiwal and Sialkot has been prepared by the 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. The 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.

26. 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 the existing shortfalls in collection capacity and to increase the efficiency of the waste collection system. Preparation of a detailed Solid Waste Management Master Plan is included in TORs of Urban Mobility and Design Consultants and it is decided in MTR that inclusion of Solid Waste Management (SWM) component (landfill sites) in project scope is subject to land acquisition by Executing Agency for the landfill sites in Sahiwal and Sialkot cities by 30 June 2021.

b. Implementation Status

27. 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, has been approved by ADB Social Safeguard Unit on 8 August 2020. Contract agreements have been signed for Lot 1 and 2 and letters of acceptance have been issued to lowest evaluated substantial bidders for Lot 3 and 4. Contract signing of Lot 3 and 4 is delayed owing to approval of implementable LARPs by ADB. (for land acquisition and LARP status, see paras 57 to 62).

28. 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. PDWP has approved the PC-I on 21 July 2020 and cost clearance was made on 18 August 2020. ADB has approved the IEE and SDDR for Sialkot WATSAN package dated 24 June 2020 and 22 July 2020 respectively. Simultaneously, Land Acquisition is in process. Contract agreements have been signed for Lot 1, 2 and 4, and letter of acceptance has been issued to lowest evaluated substantial bidder for Lot 4. Contract signing of Lot 4 is delayed owing to approval of implementable LARP by ADB (for land acquisition and LARP status, see paras 57 to 62).

29. 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 the PC-Is were approved by PDWP dated 21 August 2020 and admin approval issued dated 1 September 2020 by LG&CD Department. Bidding

30. 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. Due to delays faced in import of equipment by the Supplier, originated due to Covid-19 outbreak, the completion of supply is delayed and is expected to be completed by March 2021, however. Please refer to Appendix 12 for project pictures. EPCM consultant has designed the parking sheds for the machinery to be supplied under PICIIP-02 to both Sahiwal and Sialkot cities. In latest procurement plan, the sheds are to be procured through NCB under package PICIIP-27 Parking Sheds. Apart from this, some items approved in PC-I for SWM, Water and Sanitation equipment are to be procured through shopping under the package PICIIP-25-Miscellaneous SWM & WSS Goods. PMU PICIIP is working with MCs of both cities on Operation and Maintenance plans of SWM & WSS Goods.

31. 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

32. 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. These issues have been resolved by changing all the locations which were on private lands to government owned and donated lands in PICIIP-03 (Lot 1) and PICIIP-11 (Lot 4) respectively. PICIIP has obtained mostly NOCs from relevant departments for starting works on city roads. One NOC i.e., for laying sewer on Khawaja Safdar Road Sialkot Cantonment (PICIIP-11 Lot 3) is awaited for which request has been made to cantonment. 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. 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.

33. Land acquisition has been completed for both Sahiwal new influent / wastewater pumping stations and wastewater treatment plant. Land acquisition process has been completed for Sialkot WATSAN Lot 3 and WWTP Sialkot (154 acres) and is at stage of section 9 for additional land of WWTP. LARPs for all three (03) lots under WATSAN packages were prepared by PMU and submitted to ADB for review and approval. ADB had advised to conduct independent valuation study for land and non-land assets for these projects to ensure that DPs were getting fair compensation. PMU has hired a State Bank of Pakistan (SBP) accredited firm to conduct the independent valuation study (IVS) of land and non-land assets. The report in this regard is under preparation and will be submitted to ADB along with the updated LARPs. The IVS report and LARPs for both WWTP packages are also under preparation on similar lines.

34. 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

35. 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

36. 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

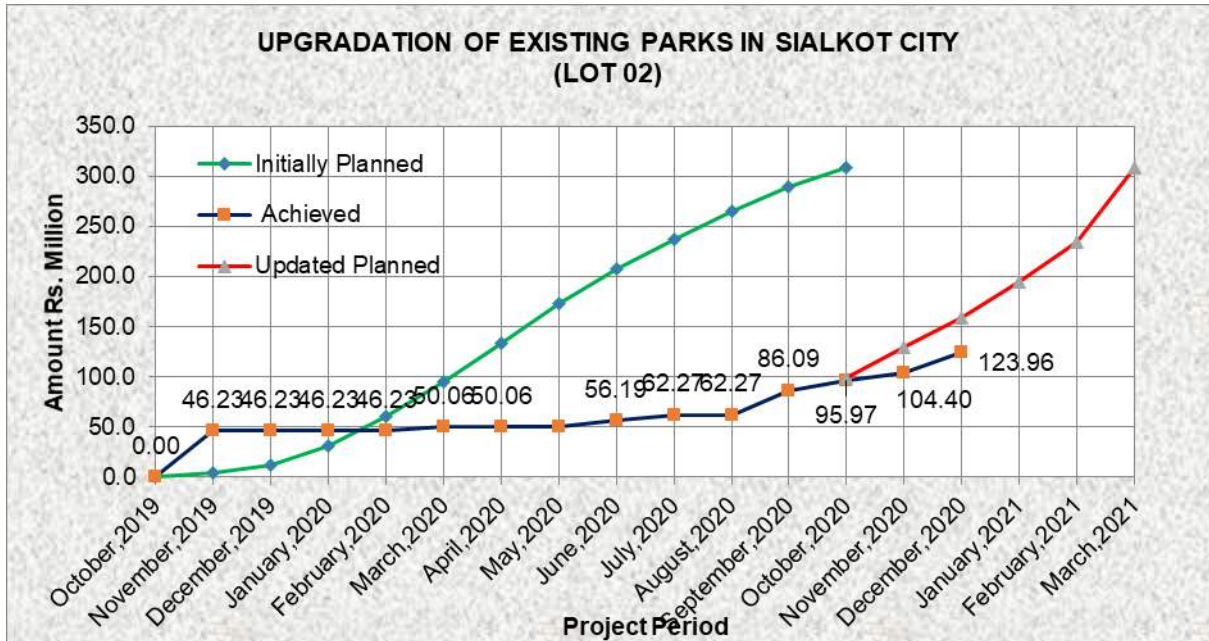
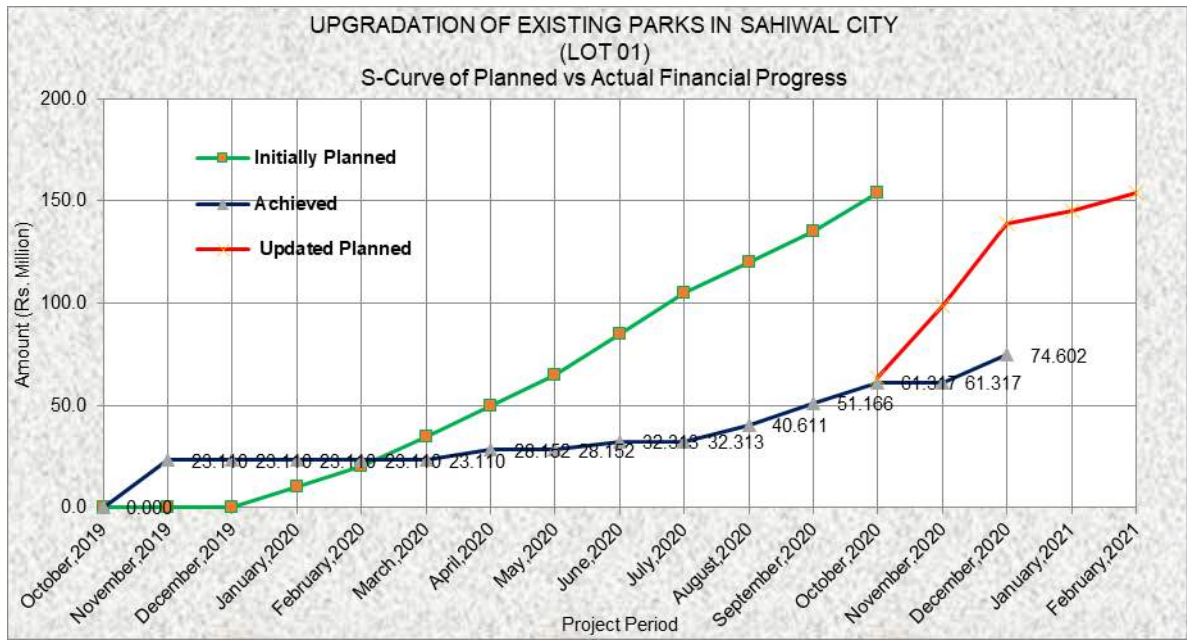
37. The scope of work includes Landscaping, Irrigation System, Electrification System, Plumbing System, Light Poles, Surveillance System, Kiosks, Toilet, Gazebos, Open Gym, Amphitheater, Museum, Gardener Room, CCTV Cameras, Prayer Deck, Security Room, Jogging Track, Walk ways, Children Play Area, Fountains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

38. 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. 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.

39. 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, safe waste disposal, bus terminals and Parks in Sahiwal and Sialkot City will be designed under this consultancy. The EOI for this consultancy is advertised on 17 August 2020.

b. Implementation Status

40. The two lots of package PICIIP-01-Public Spaces were awarded on 10 October, 2019. The intended project completion date was 24 October, 2020. Till now, physical progress is 85% and financial progress is 48% for Lot 1 (i.e. up-gradation of 3 existing parks in Sahiwal) and physical progress is 86% and financial progress is 40% for Lot 2 (i.e. up-gradation of 4 Existing parks in Sialkot). The expected completion date of Lot 1 is 28 February 2021 and for Lot 2 is 22 March 2021. 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

41. Parks are located within the populated areas and they 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.

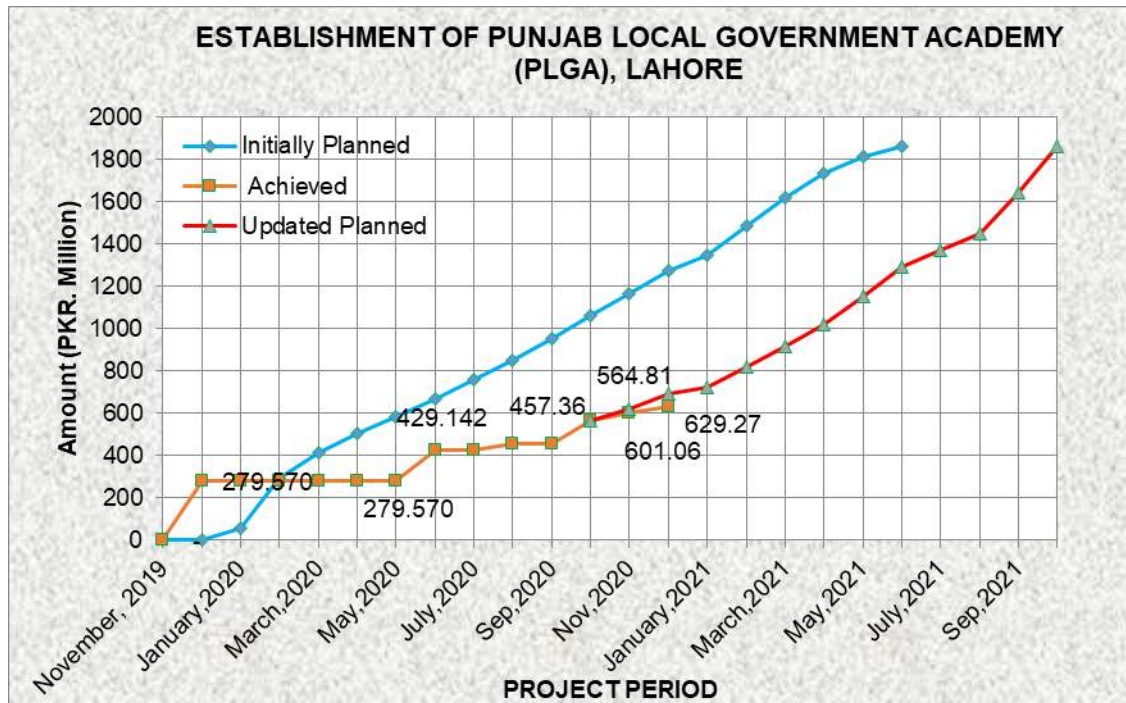
42. The Government of Punjab imposed lock down due to the COVID 19 outbreak starting from 24 March 2020 which hampered the project pace and contractors were demobilized from both the sites for 30 days. After lifting up of lock down restrictions from construction industry, work has been resumed at sites 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

43. The contract for construction of Punjab Local Government Academy (PLGA), Lahore (PICIP-44) was awarded on 07 November 2019 with the intended completion date of 10 June 2021

covered area 232,000 sft comprising academic block, administration block, residential block, and commercial block for rent. Apart from Covid-19, the construction progress 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. Physical progress is 31.56%. Work is continued on site in-line with the site-specific environmental management plan under the supervision of EPCM consultant. 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.



44. TORs of Capacity Building for LG&CDD Consultancy package (PICIIP_Cons_05A). PC-II of this consultancy package has been prepared and is forwarded for approval of the competent authority. EOIs have been received from 17 firms for this consultancy and shortlisting is in process.
45. 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 for which TORs are being prepared by Smart City Development Specialist. Stakeholder consultations and data collection for the development of Smart City Strategic Plan are also underway.

b. Implementation Challenges

46. 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. However, to meet the project targets, works are now being carried out day and night.

iv. Reporting on Monitoring and Results Framework

47. 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.

48. 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 8: Progress of Work – Awarded Contract (Works and Goods)

Sr. No	Contract	Contractor / Supplier	Contract Cost	Date of Agreement	Actual completion Date	Expected Completion Date	Expected Physical Progress (%age)	Achieved Physical Progress (%age)	Expected Financial Progress	Achieved Financial Progress (%age)	Mitigation Measures
1	Lot 1: Up gradation of 03 existing Parks in Sahiwal	M/s HCS-Mastic (JV)	PKR 154,090,599	10 Oct 2019	24 October 2021	28 February 2021	100	85	100	48	Contractors were continuously advised to increase the manpower and other resources in order to complete project within contract period and contract price. Warning letters have been issued to the contractors for strict action under clause GCC 56.1 read with PCC which relates to liquidated damages.
2	Lot 2: Up gradation of 04 existing Parks in Sialkot	M/s HCS-Mastic (JV)	PKR 308,201,087	10 Oct 2019	24 October 2021	22 March 2021	100	86	100	40	
3	Construction of Punjab Local Govt. Academy Lahore	M/s Habib Construction Services Ltd.	PKR 1,863,801,178	27 Nov 2019	10 June 2021	-	60.65	31.56	60.65	34	
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 Oct 2019	31 October 2020	22 March 2021	-	-	100	33	Suppliers were continuously advised to increase resources in order to complete project within contract period and contract price.
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 Oct 2019	31 October 2020	28 February 2021	-	-	100	82	Warning letters have been issued to the contractors for strict action under clause GCC 27.1 read with SCC which relates to liquidated damages.
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 Oct 2019	31 October 2020	22 March 2021	-	-	100	30	
7	Water Supply System, Filtration Plants, Tube-wells, OHRs, SCADA and Allied Works (NCB-Works/PICII P-03) Lot - 1	M/s TMT-MAC JV)	Rs. 2,058,818,352	17 Nov 2020	14 December 2022	-	-	-	-	20	
	North Zone	M/s	Rs.	13	10 May						

	Trunk Main Sewer Lines and Allied Works (NCB-Works/PICII P-03) Lot - 2					-					
9	Works for Rehabilitation on Improvement of Water Supply & Sewerage System in North Zone, Sialkot Lot - 1: Sewerage Limes and Allied Works (Zone 3-A) (NCB-Works/PICII P-11)	M/s ZKB-Reliable JV	Rs. 1,914,199,996	25 Nov 2020	21 January 2023	-	-	-	-	20	
10	Works for Rehabilitation on Improvement of Water Supply & Sewerage System in North Zone, Sialkot Lot - 2: Pre-Cast RCC Conduits and Allied Works (Zone 3-B) (NCB-Works/PICII P-11)	M/s ZKB-Reliable JV	Rs. 1,824,989,269	25 Nov 2020	21 January 2023	-	-	-	-	20	
11	Works for Rehabilitation on Improvement of Water Supply & Sewerage System in North Zone, Sialkot Lot - 4: Water Supply System (Zone 3-D) (NCB-Works/PICII P-11)	M/s ZKB-Reliable JV	Rs. 1,148,752,166	25 Nov 2020	16 June 2022	-	-	-	-	20	

F. Performance of Consultants

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

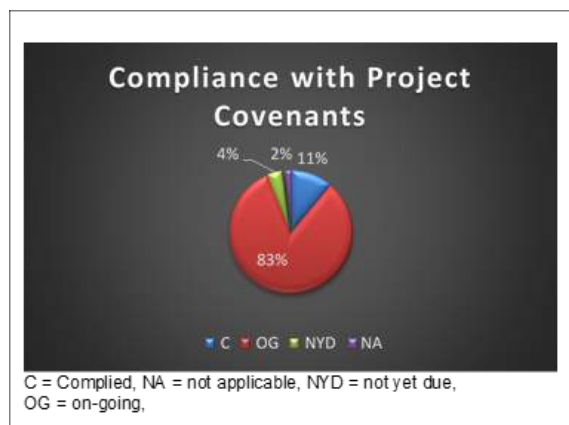
50. The EPCM consultant issued a notice of Force Majeure under GCC Clause-17 on 26 March

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.

51. Many of the agreed deliverables submitted by the consultant were of 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 involved many revisions in design while getting approvals from different forums. 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. Recently, a short diagnostic review of EPCM consultant's capacity, commissioned by the PMU, revealed that the currently mobilized resources are insufficient to supervise, assure quality, and monitor and report all activities in the target cities. The MTR mission apprised the consultant of the volume of the upcoming construction supervision work (i.e., for WATSAN and WWTPs) and discussed the insufficiency of the resources currently available under their contract. Therefore, the possibility of a further variation in the consultant's contract was discussed during the MTR mission. The Mission advised that further deliberations are required on this matter between ADB, the EA and EPCM consultants to agree on the way forward and to finalize terms of the contract variation. The MTR mission advised that the PMU should submit to ADB a request for variation in the EPCM consultant's contract before Q1 2021. The contract amount for EPCM consultancy is \$ 3.67 M out of which \$ 2.34 M have been paid so far. The payment made in the current quarter is \$ 0.299 m.
52. 8 individual consultants have been hired to support PMU in the fields of procurement and contracts management, institutional development, environment, social safeguard, gender, urban development, external monitor and smart cities development specialist. For details, please refer to para 5 and **Appendix 2.7** Status of Recruitment of Consultants (Individual Consultants).

G. Compliance with Covenants

53. Out of the total 100 covenants as stipulated in the Loan and Project Agreements, 11 (11%) are complied with, 83 (83%) are on-going, 4 (4%) are not yet due, and 2 (2%) are not applicable. Not applicable covenants relate to indigenous people. The covenants that are not yet due are dependent upon: (i) the physical completion of works; (ii) delivery of materials; and (iii) formation of urban services companies which is dependent on the findings of ODBM consultants. Status of the loan covenants is provided as **Appendix 6**.



H. Financial Management and Financial Sustainability Action Plans

54. The guideline given in Financial Management Manual, PAM, PC-I, Principles of Accounting Manual 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.

- 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
- Development of the role of a professional regulatory body
- 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
- Develop a roadmap for progressive rolling out of service delivery in water and sanitation into the private market

56. 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

57. PMU has developed social safeguard due diligence reports (SDDR) and submitted to ADB for approval, before initiating procurement process for any civil works contract. Till date, the PMU has submitted Social Due Diligence Reports for subprojects including parks, PLGA building and WATSAN packages, which were approved by ADB and accordingly disclosed on the ADB and EA's websites. SDDR for parks and PLGA building did not report any requirement of land. However, SDDR submitted for WATSAN packages in both Sahiwal and Sialkot cities identified that land will have to be acquired for the construction of pumping stations, i.e., for Lot 3 of Sialkot WATSAN (2.86 acres), and for Lot 3 and Lot 4 of Sahiwal WATSAN (5.1 and 4.93 acres respectively). Based on the nature of involuntary resettlement (IR) impacts, these subprojects were categorized as category B for IR impacts.

58. A brief on categorization of awarded contracts in terms of Social Safeguards is given below;

Table 9: 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"
9	Water and Sanitation Project in Sahiwal (Lot#1)	Category "C"	Category "C"
10	Water and Sanitation Project in Sahiwal (Lot#2)	Category "C"	Category "C"
11	Water and Sanitation Project in Sialkot (Lot#1)	Category "C"	Category "C"
12	Water and Sanitation Project in Sialkot (Lot#2)	Category "C"	Category "C"
13	Water and Sanitation Project in Sialkot (Lot#4)	Category "C"	Category "C"

59. Since it was evident that the Waste Water Treatment Plants (WWTP) packages involved significant land acquisition and resettlement (LAR) impacts and were therefore categorized as IR category A, no SDDR was prepared for WWTP packages of both cities. In total, 196.45 acres of land needs to be acquired for the WWTP site in Sahiwal, while 239.69 acres land is required for WWTP Sialkot.
60. Status of all land acquisition and LARP related activities is provided in Appendix-7. LARPs for all three (03) lots under WATSAN packages have also been prepared by PMU and submitted to ADB for review and approval. Whereas LARPs for both WWTP packages are currently under preparation by the PMU.
61. During the review of LARPs submitted for WATSAN schemes, it was identified that requirement of meeting the “replacement cost” principle for compensation payment was not catered for. Thus, in line with paras 78 and 79 of the resettlement framework, the PMU is undertaking an independent valuation study to bridge the differential between the DPAC assessed (and BOR approved) compensation rates and the ADB requirement of the replacement cost. The findings would then be shared with ADB for further approval of the LARPs. For this purpose, PMU, in consultation with ADB, has engaged State Bank of Pakistan (SBP)’s approved independent valuation experts, Anderson Consulting Pvt. Ltd. The valuation study is underway and expected to be completed by Jan 2021. During the Mission, it was agreed that in case of any differential in the valuation of the DPAC assessed compensation rates and those determined by the third party, the gap will be bridged by PMU from the project loan proceeds. This will require a minor change memo in scope, which would be processed for ADB’s internal approval after receiving request from the Government.
62. The external monitoring expert for social safeguards has been hired to carry out the external monitoring activities. For further details on social safeguards-related activities, please refer to project’s Semi-Annual (Internal) Safeguards Monitoring Report (Jul – Dec 2020) disclosed on ADB’s website.

ii) Environmental Safeguards

63. 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 were shared with ADB in July 2020 for the period from 1st half of the year 2020. The Semi-annual Environmental Monitoring Reports for the 2nd half of the year are under preparation and will be shared by 15 January 2020.
64. The IEE reports for Sahiwal and Sialkot WWTPs (PICIIP-08A and PICIIP-12 respectively) are also approved by ADB and disclosed for public on both ADB and PICIIP websites.
65. ESCF and IEE reports were prepared for WATSAN Sahiwal (PICIIP-03) and Sialkot (PICIIP-11) and submitted to ADB in Q1/2020. IEE reports are approved by ADB and disclosed for

submitted to ADB for review and approval for which comments have been received and being incorporated. Once the works for the WATSAN and WWTPs commence, the PMU would start submitting monthly environmental monitoring reports to the ADB project team, considering the scale and complexity of the proposed works.

66. PMU has submitted IEE report of Package 4-A Sahiwal Roads for which comments have been received and the report will be resubmitted to ADB in January 2021. Environmental screening and categorization forms have been developed for package PICIIP-27 Parking Sheds for which an Umbrella IEE will be prepared and submitted to ADB for approval. For further details on environment-related activities, please refer to project's Semi-Annual Environmental Monitoring Report (Jul – Dec 2020) disclosed on ADB's website.

iii) Implementation of Gender Action Plan

67. Gender Action Plan for PICIIP will be implemented throughout the project to facilitate effective gender mainstreaming. Out of the 11 parks initially approved for up-gradation, 7 are being developed (3 in Sahiwal and 4 in Sialkot). All gender indicators are being complied with and this compliance will be ensured as construction progresses in all 7 parks. The construction work is in process and will be completed in Q1 2021. Further, day care facility will be established in Punjab Local Government Academy at Lahore, to enhance gender inclusiveness.
68. During the MTR Mission 2020, the possibility of removing bus-terminals construction/up-gradation from the project scope was discussed. An affirmative decision on whether or not this component shall be taken up under the project will be made based on the findings of the UMDS consultants in early 2022. If this component is omitted, related GAP targets will no longer be applicable.
69. Within PICIIP Team, females are always encouraged to participate in in-house as well as ADB arranged trainings. Focused Group discussions have been conducted in both cities with 61% participation of women, albeit with lapse of one year due to delays in the hiring of Gender Specialist, procedural issues, and COVID-19 pandemic. A training manual on Urban Water, Sanitation and Hygiene (WASH) was developed, followed by two-days virtual training of focal persons held in December 2020 in both cities. Female participation in these virtual trainings was 48%. Lateral WASH trainings are also in plan that will be executed based on COVID-19 situation and precautions. A webinar has also been conducted to share the findings of FGDs with project consultants to incorporate the recommendations in sub-projects.
70. The grievance redressal committees have been constituted for Sahiwal and Sialkot with three tiers, and women representation at all the tiers. This is proportionate to the number of women in staff positions, and may increase upon change of gender ratio in staff in future. Ensuring women's inclusion at the community level in committee meetings remains a challenge. The reason is this that complaints were registered on land acquisition matters by men individually and were responded to and settled individually. Female members of the committees face security issues when meeting displaced persons and are accompanied by male members in the field to address this concern. All female staff of PMU and CIUs were trained on technical aspects. The trainings were organized by ADB, PMU and other institutions.
71. A separate Quarterly report on GAP will be submitted separately to ADB, however, Detailed status update on GAP is provided in **Appendix 9**.

J. Monitoring and Reporting

72. 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,

K. Update on Agreed Actions with most recent ADB Missions

73. Significant progress has been made on the 12 actions agreed during with the 3rd TPR and MTR Missions 2020. The agreed actions, for which timelines are slightly revised, include; (i) Contract Awards of WATSAN (Sahiwal Lot 3, 4 & Sialkot Lot 3) and WWTP subprojects (ii) Hiring of ODBM Consultants, (iii) Hiring of UMDS Consultants, (iv) Hiring of Individual Consultants, (v) Hiring of Audit and Finance Consultant, (vi) Hiring of Capacity Building Consultant, (vii) EPCM Consultant VO4, (viii) activities related to PMU/CIU strengthening, (ix) LARP submissions. The current status of agreed actions is given in **Appendix 11**.
74. PMU fully agrees to comply with all the agreed actions and is working to achieve the targets.

L. Major Project Issues and Problems

75. The WATSAN works are going to commence which are huge in magnitude. It would be a challenge to execute the civil works following full Covid-19 SOPs.
76. ADB has advised that an independent valuation study of land and non-land assets should be made part of LARPs for lands being acquired for WATSAN and WWTP projects. The Land Acquisition Act 1884 lacks the provision of paying the difference between DPAC and independent valuator determined cost. For PICIIP, this differential cost shall be paid out of the loan proceeds (i.e. to be paid by the Gov. of Pakistan to the DPs out of physical contingency and later reimbursed by ADB from the loan). But it is critical that amendments are made in relevant provisions of Gov. laws and rules to facilitate the payment of such differential cost for ADB / foreign funded projects. Same has been agreed in the MTR aide memoire.
77. 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 of detailed PC-I / PC-IIs of sub components, there are variations in cost.
78. PMU and CIUs are scarce in terms of resources. PMU is preparing a revision of the PC-I for PMU/CIU establishment, in which financial hurdles and institutional capacity issues of PMU and CIUs shall be addressed. Revised PC-I will be submitted in January 2021 for approval of competent authority.
79. Drainage is an important component and cannot be neglected while planning the city. Therefore, design of drainage component has been incorporated in the scope of Urban Mobility Consultants.

M. Action Plan to Mitigate Implementation Challenges

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

Table 10: 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 following COVID SOPs.
2	Traffic Management	Incorporation of Traffic Management Plan items in project BOQs and keen monitoring upon commencement of works.
3	Environmental Management	Incorporation of Environmental Management Plan items in project BOQs. Timely preparation and

		approval of SSEMPs and keen monitoring upon commencement of works.
4	LARPs	Timely preparation of LARPs, incorporation of IVS findings and approval by ADB.
5	Payment of Resettlement / Differential cost to DPs/APs	Timely processing of grant-in-aid summary and minor change memo (in case of differential in land price between Board of Revenue price and Independent Valuation Study Result).
6	Complaint Management	Notification of Grievance Redress Committees and effective liaison with DPs/APs
7	Sustainability of PICIIP Investments	Timely hiring of Operational Design and Business Modeling Consultants. Keen follow up with the CIUs and MCs to ensure effective implementation of the interim (1-year) O&M plan for SWM equipment and Parks.

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	30 September 2020
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	8 September 2020
7	Deputy Director (M&E)	2	2	2	0	-
8	Director Procurement & Contracts	1	0	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	30 September 2020
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	4	0	-
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	0	1	20 July 2020
5	Research Analyst (GIS)	1	1	1	0	-
6	Research Analyst (Gender)	1	1	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	1	0	-
7	Sub Engineer	3	1	3	-	-
8	Admin & Accounts Officer	1	0	0	1	1 July 2019
	Total	41	27	33	8	
	Male		21	26		
	Female		6	7		
	Female as % of Total		22%	21%		

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		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	
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														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 evaluated. LoA has been issued for Lot 3 and 4 however contract signing is pending owing to approval of implementable LARP from ADB. As per LAA 1884, Section 11 has been enforced for Lot 3 and Lot 4.
<i>Lot 3: North Zone B (Sanitation) Trunk main sewer Conduit, Influent pumping station and allied works</i>	13,400,000	Q2/2019	Q1/2020	Q2/2019	Q2/2020	Q3/2020	Q3/2020	Q1/2021	-	Q2/2019	Q1/2020	Q2/2019	Q1/2020	
<i>Lot 4: South Zone Trunk main sewer, Effluent pumping station and allied work</i>	13,200,000	Q2/2019	Q1/2020	Q2/2019	Q2/2020	Q3/2020	Q3/2020	Q1/2021	-	Q2/2019	Q1/2020	Q2/2019	Q1/2020	

Per PP, Package Number and Name of Contract / Lot	Estimated Value (Inclusive of Tax) \$	Detailed Engineering Design		Social 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	
PICIIP-04-A Road Up-gradation Upgradation /rehabilitation of existing roads, streets and pavements in Sahiwal	2,000,000	Q3/2020	-	Q1/2021	-	-	-	-	-	Q1/2021	--	Q1/2021	--	PC-I has been approved by PDWP and Admin Approval issued. PMU team is working on IEE and SDDR.
PICIIP-08A-Sahiwal-WWTP	7,000,000	Q2/2020	Q2/2020	-	-	Q1/2021	-	Q1/2021	-	Q3/2020	Q3/2020	Q3/2020	Q3/2020	PC-I approved by PDWP. AA issued. LARP under preparation. Package advertised on 18 September 2020. Bids received on 10 November 2020, technical evaluation has been shared with ADB for which NOC has been received. Financial bid opening on 1 January 2021.
PICIIP-11-Sialkot-Water and Sanitation Procurement of Works for Rehabilitation / Improvement of Water Supply and Sewerage System in North Zone, Sialkot														PC-I approved by PDWP. AA issued. LARP under preparation. Package advertised on 28 August 2020. LoA has been issued however contract signing is pending owing to approval of implementable LARP from ADB. Land

Per PP, Package Number and Name of Contract / Lot	Estimated Value (Inclusive of Tax) \$	Detailed Engineering Design		Social 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	
Lot 3: Influent Pumping station, Forcemain and Allied Works (Zone 3-C)	12,900,000	Q2/2020	Q2/2020	Q3/2020	-	Q4/2020	-	Q4/2020	-	Q2/2020	Q2/2020	Q2/2020	Q2/2020	acquisition is in process.
PICIIP-12 Sialkot-WWTP Construction of Wastewater Treatment Plant (WWTP) in North Zone, Sialkot	13,000,000	Q2/2020	Q2/2020	-	-	Q4/2020	-	Q4/2020	-	Q3/2020	Q3/2020	Q3/2020	Q3/2020	PC-I approved by PDWP. LARP under preparation. Package advertised on 24 September 2020. Bids received on 26 November 2020 and technical evaluation is in process. Land acquisition is in process.
PICIIP-15 PLGA - Lala Musa Upgradation of Punjab Local Government Academy (PLGA) campus at Lala Musa	2,000,000	Q3/2021	-	Q3/2021	-	-	-	-	-	Q3/2021	-	Q3/2021	-	Under scope identification, will be taken up for DED in Q2/2021.
PICIIP-27- Parking sheds Civil Works for Parking Sheds at Sahiwal and Sialkot including	1,400,000	Q1/2021	-	Q1/2021-	-	-	-	-	-	Q1/2021	-	Q1/2021	-	PC-I approved, AA to be issued.

Per PP, Package Number and Name of Contract / Lot	Estimated Value (Inclusive of Tax) \$	Detailed Engineering Design		Social 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	
Construction of boundary wall and gate, surveillance and security system, guard / driver and equipment, office building and allied works at Sahiwal and Sialkot														
PICIIP-24-PMU/CIU Establishment General Office, IT Equipment, Furniture and Fixtures, Office Repair and Communication & Media Equipment	450,000	-	-	-	-	-	-	-	-	-	-	-	-	Revised PC-I of PMU/CIU establishment in preparation
PICIIP-25-Miscellaneous SWM & WSS Goods Miscellaneous Goods for Water & Sanitation and SWM	150,000	Q4/2018	Q4/2018	-	-	-	-	-	-	-	-	-	-	PC-I is approved, AA issued.

Per PP, Package Number and Name of Contract / Lot	Estimated Value (Inclusive of Tax) \$	Detailed Engineering Design		Social 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	
PICIIP-04-Road Upgradation and Public Space Upgradation Upgradation of existing roads, footpaths, signaling, green belts, open spaces, safe waste disposal, bus terminals and Parks in Sahiwal and Sialkot City.														Indicative Package; Urban Mobility Design and Supervision Consultant is being hired by PICIIP to design this package.
PICIIP-06 Water Meters Supply of postpaid and pre-paid meters for Sahiwal and Sialkot	2,000,000	-	-	-	-	-	-	-	-	-	-	-	-	Indicative package; ODBM consultant (yet to be hired) to formulate mechanism for installation of water meters.
PICIIP-08B-Sahiwal-WWTP Construction of Treated Water Conveyance System for Wastewater Treatment Plant (WWTP) in North Zone, Sahiwal	7,000,000	-	-	-	-	-	-	-	-	-	-	-	-	Indicative Package; ODBM consultant (yet to be hired) will perform economic analysis of this package.

Per PP, Package Number and Name of Contract / Lot	Estimated Value (Inclusive of Tax) \$	Detailed Engineering Design		Social 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	
PICIIP-22- Establishment of Smart City Establishment of Smart City Infrastructure in Sahiwal and Sialkot	3,000,000													Smart city initiative consultant is to be hired to design this package.
PICIIP-23- Smart City Equipment Smart City Equipment for Sahiwal and Sialkot	3,000,000													Smart city initiative consultant is to be hired to design this package.

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													
PICIP-24-PMU/CIU Establishment General Office, IT Equipment, Furniture and Fixtures, Office Repair and Communication & Media Equipment	450,000	Shopping	Q1/2021	-	Q2/2021	-	Q2/2021	-	Q2/2021	-	-	-	Revised PC-I for PMU/CIU establishment is being prepared.
PICIP-25-Miscellaneous SWM & WSS Goods Miscellaneous Goods for Water & Sanitation and SWM	150,000	Shopping	Q1/2021	-	Q2/2021	-	Q2/2021	-	Q2/2021	-	-	-	PC-I approved; AA issued.

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

Per Package Number and Name of Contract/Lot	PP, and of	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/PICIIIP-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/PICIIIP-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
NCB- Works/PICIIIP-14		13,000,000	NCB	Q2/2019	Q3/2019	Q2/2019	Q4/2019	Q2/2019	Q4/2019	Q3/2019	Q4/2019	Q3/2019	Q4/2019	Q4/2019	Q4/2019	27 November 2020	PKR 1,863 m
PICIIIP-03- Sahiwal-Water and Sanitation		55,000,000															
Procurement of Water Supply and Sanitation, Water supply system, filtration plants, tubewells, OHRs and trunk main sewer, effluent pumping station and allied works																	
Lot 1: 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	Q3/2020	Q3/2020	Q3/2020	Q4/2020	Q4/2020	14 December 2022	Rs. 2,058.81 m

Lot 2: North Zone A (Sanitation) Trunk main sewer lines and allied works	14,200,000	NCB	Q2/2020	Q2/2020	Q3/2020	Q3/2020	Q3/2020	Q3/2020	Q3/2020	Q3/2020	Q3/2020	Q3/2020	Q4/2020	Q4/2020	10 May 2022	Rs. 2,128.31 0 m
Lot 3: North Zone B (Sanitation) Trunk main sewer Conduit, Influent pumping station and allied works	13,400,000	NCB	Q2/2020	Q2/2020	Q3/2020	-	Q3/2020	-	Q3/2020	-	Q3/2020	-	Q4/2020	-	-	-
Lot 4: South Zone 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	-	Q4/2020	-	-	-
PICIIP-04-A Road Up-gradation Upgradation / rehabilitation of existing roads, streets and pavements in Sahiwal	2,000,000	NCB	Q2/2021	-	Q2/2021	-	Q2/2021	-	Q2/2021	-	Q2/2021	-	Q2/2021	-	-	-
PICIIP-08A-Sahiwal-WWTP	7,000,000	ICB	Q4/2020	-	Q4/2020	-	Q4/2020	-	Q4/2020	-	Q4/2020	-	Q1/2021	-	-	-
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															
Lot 1: Sewerage Lines and Allied	14,700,000	NCB	Q3/2020	Q3/2020	Q4/2020	-	Q4/2020	-	Q4/2020	-	Q4/2020	-	Q4/2020	Q4/2020	21 January 2023	Rs. 1,914.19 9 m

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

Per Package Number and Name of Contract/Lot	PP, Estimate d 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			
PICIIIP-24-PMU Establishment General Office, IT Equipment, Furniture and Fixtures, Office Repair and Communication & Media Equipment	450,000	Shopping	Q4/2020	-	Q4/2020	-	Q4/2020	-	Q4/2020	-	-	-	-
PICIIIP-25-Miscellaneous SWM & WSS Goods	150,000	Shopping	Q4/2020	-	Q4/2020	-	Q4/2020	-	Q4/2020	-	-	-	-

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	31 January 2021	PKR 154,090,599	-	PKR 154,090,599	PKR 74,605,618	PKR 74,605,618	85	48
2	NCB-Works/PICIIP-01 Lot 2: Up gradation of 04 existing Parks in Sialkot	NCB	10 October 2019	24 October 2020	22 March 2021	PKR 308,201,087	-	PKR 308,201,087	PKR 123,958,169	PKR 123,958,169	86	40
3	NCB-Works/PICIIP-14 Construction of Punjab Local Govt. Academy Lahore	NCB	27 November 2019	10 June 2021	-	PKR 1,863,801,178	-	PKR 1,863,801,178	PKR 629,268,798	PKR 629,268,798	31.56	34
4	ICB-Goods/PICIIP-02 Supply and Installation of Water and Sanitation Equipment Lot-1	ICB	31 October 2019	30 October 2020	7 February 2021	US\$ 2,036,269	-	US\$ 2,036,269	US\$ 678,127	US\$ 678,127	-	33
5	ICB-Goods/PICIIP-02 Supply and Installation of Water and Sanitation Equipment Lot-2	ICB	31 October 2019	30 October 2020	31 January 2021	US\$ 1,694,107	-	US\$ 1,694,107	US\$ 1,382,709	US\$ 1,382,709	-	82
6	ICB-Goods/PICIIP-02 Supply and Installation of Water and Sanitation Equipment Lot-3	ICB	31 October 2019	30 October 2020	31 March 2021	US\$ 2,037,736	-	US\$ 2,037,736	US\$ 601,738	US\$ 601,738	-	30
7	Water Supply System, Filtration Plants, Tube-wells, OHRs, SCADA and Allied Works (NCB-Works/PICIIP-03) Lot - 1	ICB	17 November 2020	14 December 2022	-	Rs. 2,058,818,352	-	Rs. 2,058,818,352	Rs.411,763,671	Rs.411,763,671	-	20
8	North Zone A (Sanitation) Trunk Main Sewer Lines		13 October 2020	10 May 2022	-	Rs. 2,128,310,936	-	Rs. 2,128,310,936	Rs. 425,662,187	Rs. 425,662,187	-	20

	and Allied Works (NCB-Works/PICIIIP-03) Lot - 2											
9	Works for Rehabilitation Improvement of Water Supply & Sewerage System in North Zone, Sialkot Lot - 1: Sewerage Limes and Allied Works (Zone 3-A) (NCB-Works/PICIIIP-11)	25 November 2020	21 January 2023	-	Rs. 1,914,199,996	-	Rs. 1,914,199,996	Rs. 382,839,999	Rs. 382,839,999	-	20	
10	Works for Rehabilitation Improvement of Water Supply & Sewerage System in North Zone, Sialkot Lot - 2: Pre-Cast RCC Conduits and Allied Works (Zone 3-B) (NCB-Works/PICIIIP-11)	25 November 2020	21 January 2023	-	Rs. 1,824,989,269	-	Rs. 1,824,989,269	Rs. 364,997,854	Rs. 364,997,854	-	20	
11	Works for Rehabilitation Improvement of Water Supply & Sewerage System in North Zone, Sialkot Lot - 4: Water Supply System (Zone 3-D) (NCB-Works/PICIIIP-11)	25 November 2020	21 January 2023	-	Rs. 1,148,752,166	-	Rs. 1,148,752,166	Rs. 229,750,433	Rs. 229,750,433	-	20	

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_03	Operational design and business model (OBDM) consultant	2,500,000	QCBS 90:10	FTP	Q2/2020	Q2/2020	Q3/2020	Q3/2020	Q3/2020	Q3/2020	Q4/2020	Q4/2020	Q4/2020	-	Q4/2020	-	Q4/2020	-	Q1/2021	-	Q1/2021	-
PICIIP-Cons_04	Audit and finance consultant	300,000	QCBS 80:20	BTP	Q4/2020	-	Q1/2021	-	Q1/2021	-	Q1/2021	-	Q1/2021	-	Q1/2021	-	Q1/2021	-	Q1/2021	-	Q1/2021	-
PICIIP-Cons_05A	Capacity building Of Local Government and Community Development Department	3,500,000	QCBS 80:20	FTP	Q4/2020	-	Q1/2021	-	Q1/2021	-	Q1/2021	-	Q1/2021	-	Q1/2021	-	Q1/2021	-	Q1/2021	-	Q1/2021	-
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	Q4/2020	Q4/2020	Q4/2020	Q4/2020	Q1/2021	-	Q4/2021	-	Q1/2021	-	Q1/2021	-	Q1/2021	-	Q1/2021	-
PICIIP-Cons_06	Transaction advisory for Waste Water Treatment Plant (WWTP) - Public Private Partnership (PPP)	500,000	QCBS 80:20	BTP	Q4/2021	-	Q4/2022	-	Q1/2022	-	Q1/2022	-	Q1/2022	-	Q1/2022	-	Q1/2022	-	Q1/2022	-	Q1/2022	-
PICIIP-Cons_07	Hiring of Consultants for Smart Cities Initiative	1,500,000	QCBS 80:20	FTP	Q2/2021	-	Q2/2021	-	Q3/2021	-	Q3/2021	-	Q3/2021	-	Q3/2021	-	Q4/2021	-	Q4/2021	-	Q4/2021	-

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 / Utilization	
		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	31 January 2021	PKR 74,605,618	PKR 74,605,618
NCB-Works/PICIIP-01	Lot 2: Up gradation of 04 existing Parks in Sialkot	PKR 308,201,087	-	10 October 2019	24 October 2020	22 March 2021	PKR 123,958,169	PKR 123,958,169
NCB-Works/PICIIP-14	Construction of Punjab Local Govt. Academy Lahore	PKR 1,863,801,178	-	27 November 2019	10 June 2021	-	PKR 629,268,798	PKR 629,268,798
NCB-Works/PICIIP-03	Water Supply System, Filtration Plants, Tube-wells, OHRs, SCADA and Allied Works	PKR 2,058,818,352		17 November 2020	14 December 2022		PKR 411,763,671	PKR 411,763,671
NCB-Works/PICIIP-03	North Zone A (Sanitation) Trunk Main Sewer Lines and Allied Works	PKR 2,128,310,936		13 October 2020	10 May 2022		PKR 425,662,187	PKR 425,662,187
NCB-Works/PICIIP-11	Works for Rehabilitation Improvement of Water Supply & Sewerage System in Norht Zone, Sialkot Lot - 1: Sewerage Limes and Allied Works (Zone 3-A)	PKR 1,914,199,996		25 November 2020	21 January 2023		PKR 382,839,999	PKR 382,839,999
NCB-Works/PICIIP-11	Works for Rehabilitation Improvement of Water Supply & Sewerage System in Norht Zone, Sialkot Lot - 2: Pre-Cast RCC Conduits and Allied Works (Zone 3-B)	PKR 1,824,989,269		25 November 2020	21 January 2023		PKR 364,997,854	PKR 364,997,854
NCB-Works/PICIIP-11	Works for Rehabilitation Improvement of Water Supply & Sewerage System in Norht Zone, Sialkot Lot - 4: Water Supply System (Zone 3-D)	PKR 1,148,752,166		25 November 2020	16 June 2022		PKR 229,750,433	PKR 229,750,433
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\$ 678,127	US\$ 678,127

Pack-age No	Package Description	Actual Contract Amount		Contract Award Date	Completion Date		Disbursement / Utilization	
		Original	Revised		Original	Revised/Actual	Total	ADB Share
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\$ 1,382,709	US\$ 1,382,709
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\$ 601,738	US\$ 601,738
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 374,464,158	PKR 374,464,158
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 1,396,640	PKR 1,396,640
I.C.S/PICIIP_Cons-1/2020-(GS)	Individual Consultants (Gender Specialist)	PKR 4,321,464	-	21 April 2020	20 October 2021	-	PKR 1,132,624	PKR 1,132,624
I.C.S/PICIIP_Cons-1/2020-(IDS)	Individual Consultants (Institutional Development Specialist)	PKR 12,044,802	-	20 April 2020	20 April 2021	-	PKR 5,934,449	PKR 5,934,449
I.C.S/PICIIP_Cons-1/2020-(P&CMS)	Individual Consultants (Procurement & Contracts Management Specialist)	PKR 9,275,070	-	21 April 2020	20 April 2022	-	PKR 4,587,800	PKR 4,587,800
I.C.S/PICIIP_Cons-1/2020-(SSS)	Individual Consultants (Social Safeguard Specialist)	PKR 9,870,672	-	21 April 2020	20 April 2020	-	PKR 2,749,200	PKR 2,749,200-
I.C.S/PICIIP_Cons-1/2020	Individual Consultant (Urban Development Specialist)	PKR 10,940,076	-	13 October 2020	12 October 2022		-	-
I.C.S/PICIIP_Cons-1/2020	Individual Consultant (External Monitor Safeguard)	PKR 8,551,446	-	13 October 2020	12 October 2022		-	-
I.C.S/PICIIP_Cons-1/2020	Individual Consultant (Smart Cities Development Specialist)	PKR 8,070,468	-	13 November 2020	12 May 2022		-	-

Project Expenditure

Project Expenditure

Table A3.1: Summary Project Expenditure By Components
(\$ Million)

Item	Amount as Approved	Amount Utilized Until Last Quarter (Q3 2020)	During Current Quarter (Q4 2020)	Cumulative Utilization
A. Investment Cost				
Land Acquisition and Resettlement	1.150	6.122	1.447	7.570
Environment	0.030	-	-	-
Equipment	84.000	1.234	1.429	2.663
Civil Works	97.600	4.896	13.149	18.045
Consulting Services - Project Implementa	9.570	2.643	0.471	3.114
Consulting Services - Capacity Developme	9.620	-	-	-
Subtotal (A)	201.970	14.895	16.496	31.391
B. Recurrent Costs				
Project Management	3.000	1.208	0.201	1.409
Subtotal (B)	3.000	1.208	0.201	1.409
Total Base Cost	204.970	16.103	16.697	32.800
C. Contingencies				
Physical	20.730	0.020	0.007	0.027
Price	9.060	-	-	-
Subtotal (C)	29.790	0.020	0.007	0.027
D. Financial Charges During Implementatio	15.240	1.213	0.274	1.487
Total Project Cost (A + B + C + D)	250.000	17.336	16.978	34.314

*Total project cost includes Interest & Commitment Charges till Q4, 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	7.570	1.150	7.570
Environment	-	-	0.030	-	0.030	-
Equipment	84.000	2.663	-	-	84.000	2.663
Civil Works	97.600	18.045	-	-	97.600	18.045
Consulting Services - Project Implementa	9.570	3.114	-	-	9.570	3.114
Consulting Services - Capacity Developme	5.830	-	3.790	-	9.620	-
Subtotal(A)	197.000	23.822	4.970	7.570	201.970	31.392
B. Recurrent Costs						
Project Management	3.000	1.409	-	-	3.000	1.409
Subtotal(B)	3.000	1.409	-	-	3.000	1.409
Total Base Cost	200.000	25.231	4.970	7.570	204.970	32.801
C. Contingencies						
Physical	-	-	20.730	0.027	20.730	0.027
Price	-	-	9.060	-	9.060	-
Subtotal(C)	-	-	29.790	0.027	29.790	0.027
D. Financial Charges During Implementatio	-	-	15.240	1.487	15.240	1.487
Total Project Cost (A + B + C + D)	200.000	25.231	50.000	9.083	250.000	34.314
% of Total Project Cost		12.62%		18.17%		13.73%

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

Table A3.3: Project Expenditure by Outputs

(\$ million)

Item	Total Cost	Total Utilized	Output 1		Output 2		Output 3		A
			As Approved	Actual	As Approved	Actual	As Approved	Actual	
A. Investment Cost									
Land Acquisition and Resettlement	1.150	7.570	-	-	1.150	7.570	-	-	-
Environment	0.030	-	-	-	-	-	0.030	-	-
Equipment	84.010	2.663	14.720	-	39.420	2.663	29.870	-	-
Civil Works	97.600	18.045	11.240	4.001	8.570	7.313	74.020	1.606	-
Consulting Services - Project Implementa	9.570	3.114	-	-	-	-	-	-	-
Consulting Services- Capacity Developme	9.620	-	-	-	-	-	-	-	-
Subtotal (A)	201.980	31.392	25.960	4.001	49.140	17.546	103.920	1.606	
B. Recurrent Costs									
Project Management	3.000	1.409	-	-	-	-	-	-	-
Subtotal (B)	3.000	1.409	-	-	-	-	-	-	-
Total Base Cost with Taxes	204.980	32.801	25.960	4.001	49.140	17.546	103.920	1.606	
C. Contingencies									
Physical	20.720	0.027	2.620	-	4.970	0.009	10.510	-	-
Price	9.060	-	1.150	-	2.170	-	4.590	-	-
Subtotal (C)	29.780	0.027	3.770	-	7.140	0.009	15.100	-	-
D. Financial Charges During Implementat	15.240	1.487	1.930	-	3.650	-	7.730	-	-
Total Project Cost (A + B + C + D)	250.000	34.314	31.660	4.001	59.930	17.555	126.750	1.606	

Output 1	Water Supply Systems Improved
Output 2	Sanitation Systems Improved
Output 3	Urban Public Spaces Improved
Output 4	Institutional Support and Capacity Development

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

Table A3.4: Detailed Cost Estimates by Calendar Year

Item	Projected	Actual	(\$ Million)						
			2018		2019		2020		
			Projected	Actual	Projected	Actual	Projected	Actual	
A. Investment Costs									
Land Acquisition and Resettlement	1.150	7.570	1.150	-	-	-	-	-	7.570
Environment	0.030	-	0.010	-	0.010	-	-	0.010	-
Equipment	84.000	2.663	8.400	-	16.800	0.577	42.000	2.086	
Civil Works	97.600	18.045	9.760	-	19.520	2.873	39.040	15.173	
Consulting Services - Project Implementa	9.570	3.114	0.960	0.393	1.910	0.939	3.830	1.783	
Consulting Services- Capacity Developme	9.620	-	1.070	-	2.050	-	3.700	-	
Subtotal (A)	201.970	31.392	21.350	0.393	40.290	4.388	88.580	26.611	
B. Recurrent Costs									
Project Management	3.000	1.409	0.750	0.242	0.750	0.512	0.750	0.655	
Subtotal (B)	3.000	1.409	0.750	0.242	0.750	0.512	0.750	0.655	
Total Base Cost	204.970	32.801	22.100	0.635	41.040	4.900	89.330	27.265	
C. Contingencies									
Physical	20.740	0.027	2.280	-	4.260	0.001	8.920	0.026	
Price	9.060	-	-	-	-	-	-	-	
Total Contingency	29.800	0.027	2.280	-	4.260	0.001	8.920	0.026	
D. Financial Charges During Implementati	15.230	1.487	1.640	0.267	3.050	0.630	6.650	0.590	
Total Project Cost (A + B + C + D)	250.000	34.314	26.020	0.901	48.350	5.532	104.900	27.882	
% Total Project Cost		13.725		0.361		2.213		11.153	

Note:

We assumed US \$ 1 = Rs. 160/- for Local Share conversion, where actual rate are 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 measurement	Baseline Value as in 2016	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 60% in 2024.	Percent	36	60/2024	Not yet	<i>Detailed Engineering Design prepared. Project awarded</i>
b. Total population in Sialkot city consuming improved water supplies increased from existing 50% to 60% in 2024.	Percent	50	60/2024	Not yet	<i>Detailed Engineering Design prepared. Project awarded</i>
c. Volume of wastewater treatment increased to at least 80,000 cubic meters per day in Sahiwal and Sialkot (2016 baseline: 0)	Percent	0	80,000 m ³ /2024	Not yet	<i>Detailed Engineering Design prepared. Project advertised</i>
Risk			Assessment of Current Status of Risk		
Commitment to infrastructure development diminishes at the city and provincial level			<i>Cities and province are committed towards infrastructure development</i>		
Problems with Outcome					
Problem			Action Taken / Proposed to be Taken		
a. Land acquisition for WWTP			Land Acquisition in process		
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 1 st biannual has been completed; The Project is advertised in Q2/2020. Letter of acceptance issued to the Lowest evaluated substantially responsive contractors for Lot 2, 3 and 4 with target project award i 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 approved by PC signed for PICIIP – 03 Lot 1 and 2 and LoA have been issued for Lot 3 and 4. Contract signing is ending owing to approval of implementable LARP from ADB.					

Table A4.2: Update on Output 1

Output 1 Indicator	Water supply systems improved	Unit of measurement	Baseline Value as in 2016	Target by 2023 as per revised DMF	Achieved	Remarks / Progress
1a.	16 water reservoirs, 114 boreholes and tubewells, 350 km water pipes installed					
-	Water Reservoir	Number	0	16	-	
-	Boreholes/tubewells		0	114	-	<i>Project awarded for water supply of</i>
-	Water pipes	Kilometers	n.a	350	-	
1b.	Percentage of water supply connections that are metered increased (Baseline/Target: both cities 1% to 70% in pilot zone)				-	<i>ODBM consultant yet to be hired for mechanism for metered connections</i>
-	Sahiwal	Percent	1	70	-	
-	Sialkot		1	70	-	<i>ODBM consultant yet to be hired for mechanism for metered connections</i>
1c.	600 prepaid water meters in Sahiwal, 800 in Sialkot installed		0	1200	-	
-	Sahiwal	Number	0	500	-	<i>ODBM consultant yet to be hired for mechanism for metered connections</i>
-	Sialkot		0	700	-	<i>ODBM consultant yet to be hired for mechanism for metered connections</i>

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 and cc in Q4/2020.

The revised master plan of Sialkot Water Supply and Sanitation has been prepared while incorporating 5 UCs lying under revised boundary of Municipal Corporation. PC-I was submitted to P&D for getting approval from PDWP, the project was advertised for procurement and contract for water supply awarded in Q4 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 (Q2 2020)	Yes	<i>Target achieved</i>
1.2 Replace turbine pumps and motors in Sialkot (Q4 2023)	No	Project awarded.
1.3 Develop distribution network improvement zones and nonrevenue water program in selected zones, including installation of bulk meters, pressure gauges, and prepaid meters (Q4 2023)	No	DED to be prepared, awaiting Smart City Consulta project design.
1.4 Construct new OHRs (Q4 2023)	Not yet due	Project awarded.
1.5 Rehabilitate existing tube wells and existing OHRs (Q4 2023)	Not yet due	Project awarded.
1.6 Replace water supply pipelines with polyethylene pipes (Q4 2023)	Not yet due	Project awarded.
1.7 Hand over complete set of assets to MCs (Q1 2024)	Not yet due	-

Table A4.3: Update on Output 2

Output 2		Sanitation systems improved				
Indicator		Unit of measurement	Baseline Value as in 2016	Target by 2023 as per revised DMF	Achieved	Remarks / Progress
2a.	3 wastewater (WW) pumping stations installed or rehabilitated; 40 km of sewer pipes replaced (2016 baseline: 0)					
	- WW pumping stations	Number	0	3	0	<i>LOA issued to Contractors</i>
	- Sewer pipes replaced	Kilometers	0	40	0	<i>Project awarded</i>
2b.	Wastewater treatment plant constructed in Sahiwal and Sialkot (2016 baseline: 0)	Yes/No	0	Yes	0	<i>Bid evaluation in process</i>

Recent Development (During the Quarter under Report)

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 I been completed; The Project is advertised in Q2/2020. Lot 2 awarded, LoA issued for Lot 3 and 4 with target project award in Q1/2021.

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 approved by PDWF issued for Lot 3 with target project award in Q1/2021.

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 2020)	Yes	<i>Target achieved</i>
2.2 Procure solid waste management equipment (Q2 2021)	Partial	Delivery would be completed by Q1/2021
2.3 Provide missing equipment for wastewater management (Q2 2021)	No	Detailed Engineering Design completed for both :
2.4 Construct pumping (disposal) stations (Q4 2024)	Not yet due	LoA issued to contractor.
2.5 Replace sewer pipes (Q2 2024)	Not yet due	LoA issued to contractor
2.6 Construct wastewater treatment plant with trunk mains in Sahiwal and Sialkot (Q2 2024)	Not yet due	DED completed for both Sahiwal and Sialkot, bid:
2.7 Hand over complete set of assets to MCs (Q2 2024)	Not yet due	

Table A4.4: Update on Output 3

Output 3		Urban public spaces improved				
Indicator		Unit of measurement	Baseline Value as in 2016	Target by 2023 as per revised DMF	Achieved	Remarks / Progress
3a.	7 parks and 7 km of greenbelts rehabilitated, with at least one outdoor space for women's sports (2016 baseline: 0)					
-	Parks	Number	0	7	0	<i>Upgradation of Parks, PICIIP-01/NCB-Work: four parks in Sialkot city, two are purely for these are Abdul Hakeem and Ladies & Child. In both parks, Jogging and walking tracks for women. Moreover, an open Gymnasium in Sahiwal is planned to be outlined that will be surrounded by trees and specific timing for women will be announced. this facility will be started soon in Q4/2020.</i>
-	Green belts	kilometers	0	7	0	
3b.	At least 8 km (4 km in each city) of pedestrian footpaths upgraded (2016 baseline: 0)	Number	0	8		Planning stage
-	Sialkot	Kilometers	0	4	0	Planning stage
-	Sahiwal	kilometers	0	4	0	Planning stage

Recent Development (During the Quarter under Report)

Works on 7 parks is on-going. Request of proposals have been issued to shortlisted firms for hiring of Urban Mobility Design and Supervision consultant.

Update on Activities**Activity and Target Completion**

Activity and Target Completion	Progress (Yes/No)	Current Status
3.1 Complete detailed engineering design for public space upgrading (Q3 2019)	Yes	Target achieved.
3.2 Rehabilitate parks and greenbelts in Sahiwal (Q2 2021)	Yes	Work in progress
3.3 Rehabilitate parks and greenbelts in Sialkot (Q2 2021)		Work in progress
3.4 Improvement of city public transport routes, green belts, footpaths with traffic signals at road crossings with adaptive traffic control and bus terminal in Sahiwal (Q2 2024)	Not yet due	Planning Stage
3.5 Improvement of city public transport routes, green belts, footpaths with traffic signals at road crossings with adaptive traffic control and bus terminal in Sialkot (Q2 2024)	Not yet due	Planning Stage
3.6 Hand over complete set of assets to MCs (Q2 2024)	Not yet due	

Table A4.5: Update on Output 4

Output 4	Institutional support and capacity developed				
Indicator	Unit of measurement	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 Q1/2021
- Sahiwal		0	80	0	
- Sialkot		0	80	0	
4b. Six program communication activities organized (three activities in each city)	Events	0	6	0	1 activity has been conducted in Sahiwal and Sialkot. Remaining activities will be organized through i.e. till Dec 2023
- Sahiwal		0	3	0	
- Sialkot		0	3	0	
4c. Technical and financial management staff (at least 20% women) of the PMU and CIUs trained	Staff	0	41	0	Trainings are an on-going process for project management. Please refer to GA
- Male		0	32	20	
- Female		0	9	6	

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 have been approved and 17 firms consultancy package.

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. MC staff has been made part of trainings for implementation and procurement. Further capacity building for this purpose
4.2 Establish project management unit and city implementation units (Q2 2018)	Yes	PMU and CIUs have been established.
4.3 Issue request for proposal for the recruitment of engineering, procurement, and construction management firm (Q4 2017)	Yes	Target achieved.
4.4 Hiring of DDR consultants (Q2 2021)	Yes	8 consultants hired
4.5 Support improvement of operation and maintenance of key urban services, urban policies and planning, finance management, and tariff policies (Q2 2024)	No	In Process; after completion of WSS and SWM management devised and implemented in the cities with the assistance of consultants
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 2024)	No	Planning stage
4.7 Support the SMART city improvement (Q2 2024)	No	Planning stage
4.8 Provide training and send key staff to external training (Q4 2023)	Yes	Staff is sent for training as and when opportunities are available. 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 aide memoire of the Mid Term Review Mission (16 Nov – 3 Dec 2020).

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 have been 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 have been 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 DPs/APs regularly and response to each and every complaint receives. A 3-tiered GRM has been devised for complaint handling and addressing.
3. Institutional support and capacity development	Devising the Tors for capacity building consultancy hiring	TORs are prepared with full coordination with the LG&CD department and are approved.

Contribution to Results Framework

No	Level 2 Results Framework Indicators (Outputs and Outcomes)	Targets Approved in the RRP (data source: pre-feasibility & feasibility studies)	Revised Targets as per the approved PC-1s	Current Status
1	Households with new or improved water supply (number) - Sahiwal	74,000	74,000	PICIIP 03 Lot 1 (Sahiwal): contract has been awarded, contractors are being mobilized.
	- Sialkot	150,000	50,412	PICIIP 11 Lot 4 (Sialkot) contract has been awarded, contractors are being mobilized.
2	Households with new or improved sanitation (number) - Sahiwal	63,000	63,000	PICIIP 03 Lot 2 (Sahiwal): contract has been awarded, contractors are being mobilized. LOA has been issued for PICIIP 03 Lot 3, 4 (Sahiwal), contracts will be awarded after approval of implementable LARPs by ADB.
	- Sialkot	130,000	130,000	PICIIP 11 Lot 1, 2 (Sialkot): contract has been awarded, contractors are being mobilized. LOA has been issued for PICIIP 11 Lot 3, contracts will be awarded after approval of implementable LARPs by ADB.
3	Wastewater treatment capacity added or improved in Sahiwal and Sialkot (cubic meters per day)	91,000	80,000	WWTPs will be constructed in both Sahiwal and Sialkot. Currently bid evaluation in process for both projects.
4	Water supply pipes installed or upgraded (length of network in kilometers) - Sahiwal	78	78	PICIIP 03 Lot 1 (Sahiwal): contract has been awarded, contractors are being mobilized.
	- Sialkot	312	261	PICIIP 11 Lot 4 (Sialkot) contract has been awarded, contractors are being mobilized.
5	Households in Sialkot with reduced flood risk (number)	45,000	TBD	These figures are being re-calculated by the EPCM Consultants in light of the approved WATSAN Schemes.
6	Use of roads built or upgraded (average daily vehicle-kilometers in the first full year of operation – unit: million vehicle-km) - Sahiwal	6.79	TBD	Finalization of this indicator is subject to the findings of UMDS Consultants.
	- Sialkot	17.13	TBD	
7	Roads built or upgraded - Provincial, district, and rural roads (kilometers)			Finalization of this indicator is subject to the findings of UMDS Consultants.
	- Sahiwal	41	TBD	
	- Sialkot	40	TBD	
8	Energy saved (terawatt-hour equivalent per year)			These figures are being re-calculated by the EPCM Consultants in light of the approved WATSAN Schemes.
	- Sahiwal	1.15	TBD	
	- Sialkot	0.92	TBD	

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. 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 Loan in accordance with the provisions of schedule 4 to this Loan Agreement.	Section 3.03, Article III, LA	Ongoing To be monitored throughout project implementation.

Covenant	Reference in Loan/Project Agreement	Status of Compliance
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 mentioned
12. <u>Disbursement Procedures</u> 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. <u>Retroactive Financing</u> Withdrawals from the Loan Account may be made to fianance eligible expenditures incurred under the project for before the effective date but not earlier than 12 months before the date of this Loan Agreement in connection with the	Para 5, Schedule 3 to LA	Complied with. PKR 15.948 million reimbursed to provincial

Covenant	Reference in Loan/Project Agreement	Status of Compliance
<p>project Management coordination, and performance management consulting Services, the Engineering Procurement, and construction management consulting services; the operational design and business model consulting Services; and the cost required for the establishment of the PMU and the CIU's, subject to maximum amount equivalent to 20% of the Loan amount.</p>		<p>treasury through Withdrawal Application through retroactive financing.</p>
<p>14. <u>Conditions of withdrawals from Loan Account</u></p> <p>Notwithstanding any other Provision of this Loan Agreement, no withdrawals shall be made from the Loan Account until:</p> <p>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.</p> <p>b) The Punjab Grant Agreement 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;</p> <p>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 requirements of the policies, rules and regulations of ADB regarding disbursement so that such staff shall be fully familiar with and knowledgeable about the said requirements;</p> <p>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</p> <p>e) A firm chartered Accountants, whose Qualifications, experience and terms of reference 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.</p>	<p>Para 6, Schedule 3 to LA</p>	<p>On-going Initially, it was mutually agreed between ADB and the EA that instead of hiring a chartered accountant firm, the PMU may engage an individual expert to perform the role of an internal auditor. However, considering the growing workload under the project the EA decided to also acquire services of a firm for internal audit. The firm's hiring is currently underway. Mobilization of the audit firm is expected in Q1 2021.</p>
<p>15. The procurement of Goods, works and consulting Services, shall be subject to and Governed by the Procurement guidelines, and the consulting guidelines, respectively.</p>	<p>Para 1, Schedule 4 to LA</p>	<p>Ongoing All procurement is being made in accordance with this covenant.</p>
<p>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</p>	<p>Para 2, Schedule 4 to LA</p>	<p>Ongoing</p>

Covenant	Reference in Loan/Project Agreement	Status of Compliance
values set forth in the procurement plan. The borrower may only modify the procurement methods and the selection method and threshold values with the prior agreement of ADB, and modifications must be set out in updated to the Procurement Plan.		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 borrower's national competitive 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 agreed modifications 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 until; 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 contract for a Water Supply, Sanitation, or Urban public space component of the Project which involves involuntary resettlements impact until 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 Clearance to the final RP.	Para 7, Schedule 4 to LA	Ongoing. To be monitored until award of all civil works contracts.

Covenant	Reference in Loan/Project Agreement	Status of Compliance
<p>22. Punjab may award a Works contract for a Water supply, sanitation, or urban public space component of the Project which involves involuntary resettlements impacts prior to the final RP for such component having been submitted and cleared by ADB provided that the Works Contract:</p> <p>a) is of a “Design and build” and “turnkey” type under which the design must be completed before the RP is finalized; and</p> <p>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 submitted 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.</p>	Para 8, Schedule 4 to LA	Ongoing To be monitored until award of all civil works contracts.
<p><u>Consulting Services</u></p> <p>23. Except as set forth in the paragraph below, the Borrower shall apply Quality-and Cost-Based Selection for Consulting Services.</p>	Para 9, Schedule 4 to LA	Ongoing To be monitored until award of all consulting services contracts.
<p>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.</p>	Para 10, Schedule 4 to LA	Ongoing. To be monitored until hiring of all consulting services.
<p>25. <u>Industrial and Intellectual property Rights</u></p> <p>(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.</p> <p>(b) The Borrower shall ensure that all Contracts for the procurement of Goods and 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</p>	Para 11, Schedule 4 to LA	Ongoing To be monitored until all contracts are awarded.

Covenant	Reference in Loan/Project Agreement	Status of Compliance
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	Complied with.
<u>ADB's Review of Procurement Decisions</u> 27. Contracts procured under International competitive 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) granting 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	On-going
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
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	On-going
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	Para 1, Schedule 5 to LA	Ongoing

Covenant	Reference in Loan/Project Agreement	Status of Compliance
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 prevail.		
32. The Borrower shall ensure to cause Punjab, Sialkot and Sahiwal to ensure that all the Project Implementation 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	Complied with
<p><u>Environment</u></p> <p>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.</p>	Para 3, Schedule 5 to LA	<p>Ongoing.</p> <p>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.</p>
<p><u>Land Acquisition and involuntary Resettlements</u></p> <p>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</p>	Para 4, Schedule 5 to LA	<p>Ongoing.</p> <p>To be monitored throughout the project period.</p>

Covenant	Reference in Loan/Project Agreement	Status of Compliance
<p>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 Acquisition Act (1894), as amended from time to time.</p>		
<p>35. Without limiting the application of the Involuntary Resettlements Safeguards, the RF or the PRs, the Borrower shall ensure the cause of Punjab, Sialkot and Sahiwal to ensure that no physical or economic displacement takes place in connection with any water supply, or urban public space component of the project until;</p> <p>(a) Compensation and other entitlements have been provided to affected people in accordance with the RP for such component; and</p> <p>(b) A comprehensive income and livelihood restoration program has been established in accordance with the RP for such component.</p>	<p>Para 5, Schedule 5 to LA</p>	<p>Ongoing. To be monitored throughout the project period.</p>
<p>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 requirements of the involuntary resettlements Safeguards and the RF. The Borrower shall further ensure and cause Punjab, Sialkot and Sahiwal to further ensure that, for each water supply, sanitation 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 requirements and actions set out in the RP for such component, are completed before any construction commences and before any notice to proceed is issued under the Works contract for such component.</p>	<p>Para 6, Schedule 5 to LA</p>	<p>Ongoing. To be monitored throughout preparation and implementation of works packages.</p>
<p><u>Indigenous People</u></p> <p>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 statement. 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.</p>	<p>Para 7, Schedule 5 to LA</p>	<p>Not applicable. There are no indigenous peoples in the project area.</p>

Covenant	Reference in Loan/Project Agreement	Status of Compliance
<p><u>Human and Financial Resources to Implement Safeguard Requirements.</u></p> <p>38. The Borrower shall make available or cause Punjab, Sialkot and Sahiwal to make available necessary budgetary and human resources to fully implement the EMPs and RPs.</p>	Para 8, Schedule 5 to LA	<p>On-going.</p> <p>CIUs relevant staff is hired. EMPs compliance is in progress in all awarded contracts. RPs are being prepared and will be implemented when applicable.</p>
<p><u>Safeguards- Related Provisions in Bidding Documents and Works Contracts</u></p> <p>39. The Borrower shall ensure and cause Punjab to ensure that all bidding documents and Contracts for Works contain Provisions that require Contractors to;</p> <p>(a) Comply with the ensure relevant to the contractor set forth in the relevant 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;</p> <p>(b) Make available to budget for all such environmental and social measures;</p> <p>(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;</p> <p>(d) adequately record the condition of roads, agricultural land and other infrastructure prior to starting to transport materials and construction; and</p> <p>(e) reinstate pathways, other local infrastructure, and agricultural land to at least their pre-project condition upon the completion of project.</p>	Para 9, Schedule 5 to LA	<p>Ongoing</p> <p>To be monitored until award of all works contracts.</p>
<p><u>Safeguards Monitoring and Reporting</u></p> <p>40. The Borrower shall cause Punjab to do the following;</p> <p>(a) The submit semi-annual Safeguards Monitoring Reports to ADB and disclose relevant information from such Reports to affected persons promptly upon submission;</p> <p>(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</p>	Para 10, Schedule 5 to LA	<p>(a) Being complied with.</p> <p>(b) Being complied with.</p>

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<p>such risks or impacts, with detailed description of the event and proposed corrective action plan;</p> <p>(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</p> <p>(d) Report any actual or potential breach of compliance with the measures and requirements set forth in an EMP or RP promptly after becoming aware of the breach.</p>		<p>(c) An external monitor social safeguard expert has been hired.</p> <p>(d) Being complied with.</p>
<p><u>Prohibited List of Investments</u></p> <p>41. The Borrower shall ensure and cause Punjab, 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.</p>	<p>Para 11, Schedule 5 to LA</p>	<p>Complied with.</p> <p>To be monitored throughout the project period.</p>
<p><u>Labor Standards, Health and Safety</u></p> <p>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 include 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.</p>	<p>Para 12, Schedule 5 to LA</p>	<p>Ongoing.</p> <p>To be monitored throughout project period.</p>

Covenant	Reference in Loan/Project Agreement	Status of Compliance
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.
<p><u>General and Development</u></p> <p>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 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 rehabilitated under the project; (ii) atleast 1 commercial space in allocated to a female vendor in (or near) each bus terminal rehabilitated 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 rehabilitated 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 sanitation schemes under the project are women; and (vi) monitoring and evaluation date are disaggregate by gender.</p>	Para 14, Schedule 5 to LA	Ongoing. To be monitored throughout the project period. Details are in Appendix 9 .
<p><u>Customer Support</u></p> <p>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.</p>	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.
<p><u>Operational/Sector Performance Covenants</u></p> <p>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</p>	Para 16, Schedule 5 to LA	On-going

Covenant	Reference in Loan/Project Agreement	Status of Compliance
satisfaction and construction norms satisfactory to ADB, and construction supervision, Quality control and contract management are performed in accordance with international standards.		
47. The Borrowers shall ensure and cause Punjab, 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 laws, regulations and standards, in accordance with best international industry practice.	Para 17(a), Schedule 5 to LA	On-going
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	On-going
49. The Borrower shall cause Punjab, Sialkot and Sahiwal to undertake perform, carry out and complete all key action in the financial sustainability action plan start out in the PAM, including, in particular, the development and endorsement 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 tariffs for all meter connection. All key actions shall be completed within the time frames indicated in the financial sustainability action plans.	Para 17(c), Schedule 5 to LA	On-going.
50. The Borrower shall ensure and cause Sialkot and Sahiwal to ensure: (a) that each water supply facility and sanitation facility installed, rehabilitated, replaced, provided, unblocked or constructed under the project is transferred in 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 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 term of the Loan Agreement..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	Para 18, Schedule 5 to LA	Not yet due.

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(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 ou in the PAM.		
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, 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.	Para 19, Schedule 5 to LA	Ongoing. To be monitored throughout the project implementation.
<p><u>Governance and Anticorruption</u></p> <p>52. The Borower, Punjab, Sialkot and Sahiwal shall</p> <p>(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</p> <p>(b) cooperate with any such investigation and extend all necessary assistance for the satisfactory completion of such investigation.</p>	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 pformance of the project, business	Para 22, Schedule 5 to LA	On-going

Covenant	Reference in Loan/Project Agreement	Status of Compliance
opportunities, bidding process and guidelines, outcome of biddings and summary progress reports.		
55. Punjab shall, and shall ensure cause Sialkot and Sahiwal to, carry out the project with due diligence and efficiency, and in conformity 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 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.	Section 2.01 (b), Article II to PA	Ongoing. 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	Complied with.
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	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 and Sahiwal to, furnish, or cause to be furnished, 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.	Section 2.04, Article II to PA	Ongoing. To be monitored throughout 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	Section 2.05 (a), Article II to PA	Not yet due.

Covenant	Reference in Loan/Project Agreement	Status of Compliance
facilities to such extent and against such risks and in such amounts as shall be consistent with sound practice.		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	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, records and accounts adequate to identify the items of expenditure financed out of the proceeds of the Loan, to disclose the use thereof in the project, to record the progress of the project (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 cooperate fully, to ensure that the purposes of the Loan will be accomplished.	Section 2.07 (a), Article II to PA	Ongoing.
65. Punjab shall, and shall cause Sialkot and Sahiwal to, promptly inform ADB of any condition which interferes 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	To be monitored throughout project implementation.
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, exchange 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 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 condition of the Punjab, Sialkot and Sahiwal; and (v) any other matters relating to the purpose of the Loan.	Section 2.08 (a), Article II to PA	Ongoing. To be monitored throughout project implementation.
68. Without limiting the generality of the foregoing, Punjab shall, and shall cause Sialkot and 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	Section 2.08 (b), Article II to PA	On-going

Covenant	Reference in Loan/Project Agreement	Status of Compliance
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.		
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 shall 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
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	Article II, Section 2.09 (c), PA	Ongoing.

Covenant	Reference in Loan/Project Agreement	Status of Compliance
<p>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.</p>		
<p>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.</p>	<p>Article II, Section 2.10, PA</p>	<p>Ongoing. To be monitored throughout project implementation.</p>
<p>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.</p>	<p>Article II, Section 2.11, PA</p>	<p>Ongoing. To be monitored throughout project implementation.</p>
<p>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.</p>	<p>Article II, Section 2.12, PA</p>	<p>Ongoing. To be monitored throughout project implementation.</p>

Covenant	Reference in Loan/Project Agreement	Status of Compliance
76. Expect as ADB may otherwise agree, Punjab shall, and shall cause Sialkot and Sahiwal to, apply the proceeds 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, abrogating or waiving any rights or obligation of the parties under the subsidiary Loan Agreement or Punjab Grant Agreement.	Article II, Section 2.14, PA	On-going
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 the carrying out of the Project or the operation of the Project facilities. Punjab shall, and shall cause Sialkot and Sahiwal to, afford ADB an 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 become 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 requirements set out in the PAM, including all of the requirements and actions relating to the staff of the PMU and the CIUs, and the strengthening of the financial management of the PMU and CIUs, are 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 in accordance with the requirements of the PAM.	Para 2, Schedule to PA	Complied with

Covenant	Reference in Loan/Project Agreement	Status of Compliance
<p>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 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 measure and requirements set forth in the IEEs, the EMPs, and any corrective or any preventative actions set forth in a safeguard monitoring Report.</p>	<p>Para 3, Schedule to PA</p>	<p>Ongoing. To be monitored throughout project implementation.</p>
<p>82. Land Acquisite and involuntary Resettlement. Punjab (through the LG&CD Department) shall ensure and cause Sialkot and Sahiwal to ensure that all land and all rights of-way required for thr project are made available to the Works contractor in accordance with the schedule agreed under the Work contracts all land acquisition and resettlements 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 requirements 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.</p>	<p>Para 4, Schedule to PA</p>	<p>Ongoing. To be monitored throughout project implementation.</p>
<p>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.</p>	<p>Para 5, Schedule to PA</p>	<p>Ongoing. To be monitored throughout project implementation.</p>
<p>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 requirements of the involuntary rersettlements Safeguards and the RF, Punjab (through the LG&CD Department) shall further ensure and</p>	<p>Para 6, Schedule to PA</p>	<p>Ongoing. To be monitored throughout project implementation.</p>

Covenant	Reference in Loan/Project Agreement	Status of Compliance
<p>cause Sialkot and Sahiwal to further ensure that, for each water supply, sanitation or public space component which involves involuntary resettlement impacts, all land acquisition and resettlement activities, including all payment of required compensation and entitlements, and satisfaction of all requirements and actions set out in the RP for such component, are completed before any construction commences and before any notice to proceed is issued under the Works contract for such component.</p>		
<p>85. Indigenous peoples Punjab (through LG&CD Department) shall ensure and cause Sialkot and Sahiwal to ensure that the Project does not have any indigenous peoples impact within the meaning 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 of the Borrower and with the Safeguard policy statement.</p>	<p>Para 7, Schedule to PA</p>	<p>Not applicable. No indigenous peoples live in the Project area.</p>
<p>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.</p>	<p>Para 8, Schedule to PA</p>	<p>Complied with.</p>
<p>87. Punjab (through the LG&CD Department) shall ensure that all bidding documents and contracts for Works contain provisions that require contractors for:</p> <ul style="list-style-type: none"> (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 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 the transport materials and construction; and 	<p>Para 9, Schedule to PA</p>	<p>Ongoing. To be monitored throughout project implementation.</p>

Covenant	Reference in Loan/Project Agreement	Status of Compliance
(e) reinstate pathways, other local infrastructure, and agricultural land to all least their pre-project condition upon the completion of construction.		
<p>88. Punjab (through the LG&CD Department) shall do the following:</p> <p>(a) submit semi-annual Safeguards Monitoring Reports to ADB and disclose relevant information from such reports to affected persons promptly upon submission;</p> <p>(b) if any unanticipated environmental and/or social risks and impact 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 occurrence of such risks or impacts, with detailed description of the event and proposed corrective action plan;</p> <p>(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</p> <p>(d) report any actual or potential breach of compliance with the measures and requirements set forth in an EMP or RP promptly after becoming aware of the breach.</p>	Para 10, Schedule to PA	<p>(a) Being complied with.</p> <p>(b) Being complied with.</p> <p>(c) Complied with.</p> <p>(d) On-going</p>
<p>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.</p>	Para 11, Schedule to PA	<p>Ongoing.</p> <p>To be monitored throughout the Project implementation.</p>
<p>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</p>	Para 12, Schedule to PA	<p>Ongoing</p> <p>To be monitored throughout project implementation.</p>

Covenant	Reference in Loan/Project Agreement	Status of Compliance
HIV/AIDS, to the employees of contractors engage under the Project and to members of the local communities surrounding the project area, particularly women.		
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 To be monitored throughout project implementation.
<p>92. <u>Gender and Development</u> Punjab (through the LG&CD Department) 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 provision of diaper changing stations are installed and all bus terminals rehabilitated under the project; (ii) at least 1 commercial space is allocated to female vendor in (or near) each bus terminal rehabilitated under the project; (iii) 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 rehabilitated under the project; (iv) at least 20% of the participants in technical and financial management 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 sanitation schemes under the Project are women; and (vi) monitoring and evaluation data are disaggregated by gender.</p>	Para 14, Schedule to PA	On-going
<p>93. <u>Counterpart Support</u> 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 timely manner, for the successful implementation of the Project.</p>	Para 15, Schedule to PA	Complied with. Counterpart funds amounting to Rs. 300.00 million are released.
<p><u>Operational/Sector Performance Conventions</u> 94. Punjab (through the LG&CD Department) shall ensure and cause Sialkot and Sahiwal to ensure that the Project is implemented in accordance with applicable design and technical specifications and construction norms satisfactory to ADB,</p>	Para 16, Schedule to PA	Ongoing.

Covenant	Reference in Loan/Project Agreement	Status of Compliance
and construction supervision, quality control and contract management are performed in accordance with international standards.		To be monitored throughout project implementation
<p>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.</p> <p>(b) Punjab shall ensure that adequate budgetary and other resources are allocated timely and provided promptly as necessary and appropriate for the operation and maintenance of Project facilities as described in Sub-Paragraph(a)</p> <p>(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 policy for annual inflation-linked increases in water and wastewater tariffs, and implementation of volumetric water tariffs for all water connections. All key actions shall be completed within the time frames indicated in the financial sustainability action plan.</p>	Para 17, Schedule to PA	<p>Not yet due. No project facility has yet been constructed, or procured.</p> <p>Not yet due. No project facility has been created so far.</p> <p>On-going</p>
<p>96. Punjab shall cause Sialkot and Sahiwal to ensure;</p> <p>(a) that each water supply facility and sanitation facility installed, rehabilitated, 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;</p> <p>(b) that the USCs 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 term of the Loan Agreement;</p> <p>(c) that the USCs have adequate enforcement mechanisms to collect service fees and penalize defaulters in order to improve collection efficiency, deter non-payments and ensure sustainability of operations; and</p> <p>(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.</p>	Para 18, Schedule to PA	On-going

Covenant	Reference in Loan/Project Agreement	Status of Compliance
<p>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 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.</p>	<p>Para 19, Schedule to PA</p>	<p>Ongoing. To be monitored throughout the Project implementation.</p>
<p><u>Governance and Anticorruption</u> 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 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 for such investigation.</p>	<p>Para 20, Schedule to PA</p>	<p>Ongoing. To be monitored throughout the Project implementation.</p>
<p>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.</p>	<p>Para 21, Schedule to PA</p>	<p>Ongoing. To be monitored throughout the Project implementation.</p>
<p>100. Punjab (through LG&CD Department) shall provide updated information on the project on its website, including information on the performance of the project, business opportunities, bidding process and guidelines, outcomes of bidding and summary progress reports.</p>	<p>Para 22, Schedule to PA</p>	<p>Ongoing. LG&CD's website provide reports on the project performance and outcome of bidding and summary progress reports.</p>

Status of Land Acquisition and LARPs

LARP # (by priority)	Package/Lot Title	Approval Forum	Package/Lot Value in Million \$	Land Area in Acres	No of Land Owners	Land Acquisition Status	Tentative Award Date (Section 11)	Contract Signing	Status of LARP Preparation
LARP 1	PICIIP-03-WATSAN Sahiwal	WATSAN Sahiwal Lot 3: North Zone pumping station	Total Package: \$48.54 Mil (Lot 3: \$11.35 Mil Lot 4: \$11.83 Mil)	5.01	8	Section 11 enforced	26-Oct-20 Awarded	27-Jan-21	Submitted and reviewed by ADB SDCC. LARPs will be resubmitted to ADB after incorporating the Third party independent land valuation studies into them. LARP 1 will be resubmitted to ADB by 15 th Jan-2021. LARP 2 will be resubmitted to ADB by 20 th Jan 2021. LARP 3 will be resubmitted to ADB by 25 th Jan 2021.
LARP 2		WATSAN Sahiwal Lot 4: South Zone pumping station		4.09	12	Section 11 enforced	18-Nov-20 Awarded	01-Feb-21	
LARP 3	PICIIP-11-WATSAN Sialkot	Lot 3: Pumping Station	Total Package: \$39.01 Mil (Lot 3: \$9.4 Mil)	2.06	15	Section 9 enforced	07-Jan-21	06-Feb-21	
LARP 4	PICIIP-8-WWTP Sahiwal		\$6.3 Mil	196	139	Section 11 enforced	26-Oct-20 Awarded	12-Feb-21	
LARP 5	PICIIP-12-WWTP Sialkot	Sialkot WWTP 154 Acres of already demarcated land	\$12.15 Mil	154	600	Section 11 enforced	12-Nov-20 Awarded	22-Mar-21	
Addendum to LARP 5		Sialkot WWTP (84 Acres of additional land		84	300	Section 6 enforced	31-Jan-21	01-Apr-21	

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 shortlisted Director (Admin & Finance) who had joined in the start of August 2020 but left due to personal reasons at the end of September, 2020. The same post has been advertised again. An Admin & Accounts Officer, CIU, Sialkot has joined PICIIP in Q4 2020 while the seat was already filled for Sahiwal.
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 Project 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 disbursement.	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. Shortlisting of firms for Audit and Finance consultant is in process..
Financial and Operational Risk – PMU setup under	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.

Risks	Actions	Res-ponsibility	Timing	Status of Compliance
<p>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.</p>				
<p>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.</p>	<p>ADB to provide financial management training to clarify ADB's requirements including disbursement, financial reporting, and audit requirements.</p>	<p>ADB PMU</p>	<p>Q4 2017</p>	<p>Two days' training on processing of Withdrawal applications was provided to all PMU and CIUs staff by ADB.</p>
<p>Not a major risk as budgetary controls currently in use are effective.</p>	<p>The computerized financial management system developed by PIFRA can augment budgetary control.</p>	<p>AGP</p>	<p>Q1 2018</p>	<p>PMU/and CIU are following PIFRA chart of accounts however, the accounting is done in Excel – not in a fully automatic computer software.</p> <p>However, in the revised PC1 for the Establishment of PICIIP, PMU have proposed budget to purchase a licensed reliable accounting software to strengthen the financial reporting and control.</p>
<p>Budget Execution Risk - delay in receiving funds from the government and actual expenditure deviating from budget estimates.</p>	<p>CIUs prepare and submit budget plan to MC, PMU, and Finance Department for approval and release of funds.</p> <p>PMU monitors the expenditures against budget on a monthly basis. Any deviations from approved budget require justification and approval by LG&CD Department.</p> <p>The Government of Punjab ensures adequate budget to be released to the project in one installment each year.</p>	<p>LG&CD Department Punjab Finance Department PMU CIUs</p>	<p>2017-2023</p>	<p>All payments to the contractors will be made from PMU advance account or through direct payment from ADB.</p> <p>Complied.</p> <p>Counterpart funds are in process of release in AG, Punjab. Soon the funds will be released. In addition, keeping in view the revised PC1s for Land</p>

Risks	Actions	Res-ponsibility	Timing	Status of Compliance
				Acquisition, this office will have to place a request for supplementary grant.
Financing Risk – Counterpart funds are not provided timely and adequately.	PMU prepares 3 years' project budget and update on annual basis. The government allocates sufficient budget for counterpart funds and release these on a timely basis.	LG&CD Department Punjab Finance Department PMU	2018-2023	PMU has prepared budget for 3 financial years.
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. PMU has proposed budget allocation for reliable licensed accounting software for better control and reporting purpose.
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 ¹ 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 <u>operations and maintenance cost</u> 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.
9	Implement volumetric water and wastewater tariff, for all prepaid and	Municipal Corporations with CIUs and ODBM consultants	June 2019 Progressively for all users of pre- and		Pending. Will be done after preparation of policy by ODBM consultant

¹ ADB. 2014. *Technical Assistance to Pakistan for Punjab Intermediate Cities Improvement Investment Program*. Manila.

#	Key Actions	Responsibility	Timeframe	Remarks	Progress Update
	post-paid meter connections.		post-paid meters		
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.

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	<ul style="list-style-type: none"> 15,000 metered water connections in Sahiwal and Sialkot. 	PMU CIUs	Year 2-4	The working on this target will be started after hiring of Operational, Design and Business Model (ODBM) consultant who will plan for installation of meters. The hiring of ODBM will be completed by the end of January 2021.
1/2.2 Ensure participation of women in project consultations	<ul style="list-style-type: none"> Conduct focus group discussions with at least 50% women participation before finalizing water and sanitation schemes in Sahiwal and Sialkot. 	PMU CIUs	Year 1	The target is achieved. Six focus group discussions have been conducted in both cities with 61% participation of women. Total 6 UCs, 3 from each city were covered for public consultations, in which 76 people participated. Major findings show that in both cities the conditions of urban services - water supply, wastewater and solid waste management along with facilities for women in urban transportation are not conducive and need massive level of improvements. A quick, gender friendly responsive complaint system is also needed.

Activities/Measures	Indicators/Targets	Responsibility	Time frame	Progress to date
				A webinar with PICIIP individual consultants, NESPAK rep and relevant team has been conducted on 23 rd December 2020. The findings and recommendations of the report were shared.
1/2.3 Ensure women's participation as WASH focal persons	<ul style="list-style-type: none"> • 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	A training manual on Urban WASH has been developed to train the trainers in Q3-2020. A two-days virtual training was organized to train the focal persons of Sahiwal and Sialkot. Total 21 people participated with 48% female participation. The training was virtually conducted due to arising cases of COVID-19 in the country. The focal persons have prepared their action plans to aware their communities on the subject. Action plans are part of the training report.
1/2.4 Establish a gender-inclusive grievance redress mechanism	<ul style="list-style-type: none"> • 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). 	PMU CIUs Urban Services Companies	Year 1-6	Smart City Development Specialist (SCDS) consultant has started its activities from 16th November 2020. Currently, stakeholders' consultations, needs assessment and situation analysis phase is in progress.

Activities/Measures	Indicators/Targets	Responsibility	Time frame	Progress to date
	<ul style="list-style-type: none"> At least 25% female participants in grievance redress meetings/consultations. 			<p>Initially, Complaints (Grievance) management system for the MC services has emerged as one of the priorities, although consultations are still underway to finalize the pilot smart city project.</p> <p>As a key part of consultations, focused group discussions are planned to be conducted in January 2021. It is envisaged that at least 25% of the FGD participants will be females so that their priorities and needs can be gathered to be included in the functional requirements of the selected smart city pilot project. It includes gender issues and problems in accessing the MC services, information and relevant complaint management mechanism. Moreover, it is also envisaged that gender mainstreaming will be ensured in the Smart City Strategy, requirements document and the development of TORs for the Smart City Implementation firm. Close coordination has been started between Gender Specialist and SCDS</p>

Activities/Measures	Indicators/Targets	Responsibility	Time frame	Progress to date
				consultant to include the gender concerns and GAP targets at the time of grievance system's development to make it gender inclusiveness.
Output 3: Urban public spaces improved				
3.1 Promote women's and girls' safe access to urban public spaces	<ul style="list-style-type: none"> • At least 8 of 11 (or 70%) 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	<p>Total 7 parks for both cities are under construction and all of them have integrated gender friendly features. Three family parks in Sahiwal are under construction including separate washrooms for women, ramps for disable, jogging & walking tracks, security room, provision of security cameras, gazebos for sitting and Kiosk is also being constructed. Overall physical progress of these parks is about 80% as per report of Infrastructure engineer, CIU, Sahiwal.</p> <p>Out of four parks in Sialkot city, two are purely for female and children these are Abdul Hakeem park and Ladies & Children park Model town. In both parks, Jogging and walking tracks are allocated only for women. Moreover, an open Gymnasium in Ghulshan e Iqbal park is planned to be outlined that will</p>

Activities/Measures	Indicators/Targets	Responsibility	Time frame	Progress to date
				be surrounded by high and thick trees and specific timing for women will be allocated. The work on this facility will be started soon in in February 2021. Though, in Sialkot, separate washrooms for females, ramps for disables and sitting areas for women are under in marked parks. The Physical progress of parks in Sialkot is 84% reported by Assistant Infra structure engineer, CIU, Sialkot.
3.2 Install gender-inclusive facilities in bus terminals	<p>All three bus terminals upgraded to include:</p> <ul style="list-style-type: none"> • 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,	Currently Bus terminals are reflected in the indicative package list which would be firmed-up subject to remaining balance in the foreign share funds.
3.3 Ensure ease of access to, and safety of women, children, elderly, and persons with disabilities on	<ul style="list-style-type: none"> • Pedestrian footpaths include sufficient lighting, appropriate directional signs in local language, and access 	PMU CIUs	Year 4 or as per implementation schedule	Not achieved yet as waiting for hiring of UMDS (Urban Mobility Design Supervision) consultant who will give the

Activities/Measures	Indicators/Targets	Responsibility	Time frame	Progress to date
the pedestrian footpaths to be constructed/ rehabilitated	ramps for wheelchairs and prams.			urban mobility pathways/ pedestrian plans for both cities. Afterword the work will start on this component. ²
Output 4: Institutional support and capacity developed				
4.1 Incorporate gender concerns in newly developed capacity development program for PMU, CIU, and Urban Units	<ul style="list-style-type: none"> • 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	The work on given indicator will be started after the hiring of Capacity Building firm at the end of Q1 2021. The TORs have been completed and at approval stage, which will be finalized in Q4 2020 While once hiring process completed gender specialist will make a liaison with CBF to incorporate gender dimensions and concerns in the TNA of staff as well as in capacity development program and training material. ³

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

Update on Reporting Compliance

No.	Name of Report	Reference Loan/Project in	Due Date	Actual Submission Date	Remarks ⁴
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 October 2020	Submitted in time
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 Reports	PAM Para 84 (xii), and Para 10 (a), Schedule to PA	Within one month of the reporting period.	-	1st SAEMR of PICIIP for the reporting period 1 Jan to 30 June 2020 approved by ADB and disclosed for public. in Q3/2020. 1st Semi-Annual Internal Social Safeguard Monitoring Report (Internal) approved by ADB 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.

⁴ {If not complied give reasons for non-compliance and possible / expected date of compliance}.

Update on Actions Agreed with Last ADB Mission

Sr. No	Issue	Action to be Taken	Due Date	Current Status	Revised Due Date/ Agreed Action	Reason of Delay (if any)
1	Contract Awards of Water and Sanitation Packages (\$100 million)	<p><u>PICIIP-03-Sahiwal-WATSAN (\$48.54 million)</u></p> <ul style="list-style-type: none"> Contract Award of Lot 2 (\$12.74 million) Contract Award of Lots 3 and 4 (\$23.18 million) Lot 1 (\$12.62 million): Contract Award <p><u>PICIIP-11-Sialkot-WATSAN (\$39.01 million)</u></p> <ul style="list-style-type: none"> Contract Awarded for Lot 1,2,4 (\$29.32 million) Contract Award of Lot 3 (\$ 9.69 million) 	<p>15 October 2020</p> <p>21 November 2020</p> <p>16 November 2020</p> <p>29 November 2020</p> <p>29 November 2020</p>	<p>Achieved</p> <p>Revised</p> <p>Achieved</p> <p>Achieved early</p> <p>Revised</p>	<p>-</p> <p>31 January 2021</p> <p>-</p> <p>25 November 2020</p> <p>-</p> <p>31 January 2021</p>	<p>-</p> <p>Contract signing is pending owing to implementable LARP approval.</p> <p>-</p> <p>Contract signing is pending owing to implementable LARP approval.</p>
2	Contract Awards of Waste Water Treatment Plants (\$20 million)	<p><u>PICIIP-08A-Sahiwal- WWTP (\$6.3 million):</u></p> <ul style="list-style-type: none"> Financial Bid Opening Contract Award <p><u>PICIIP-12-Sialkot-WWTP (\$12 million):</u></p> <ul style="list-style-type: none"> Financial Bid Opening Contract Award 	<p>1 December 2020</p> <p>21 January 2021</p> <p>21 December 2020</p> <p>11 February 2021</p>	<p>Revised</p> <p>Revised</p> <p>Revised</p> <p>Revised</p>	<p>1 January 2021</p> <p>8 Feb 2021</p> <p>4 February 2021</p> <p>10 March 2021</p>	<p>Delay occurred due to seeking Clarifications from the bidders</p> <p>Contract award dates are subject to timely approval of LARPs</p>

Sr. No	Issue	Action to be Taken	Due Date	Current Status	Revised Due Date/ Agreed Action	Reason of Delay (if any)
3	Hiring of ODBM Consultants	Complete Negotiations with Operational Design and Business Model (ODBM) Consultants (PICIIP-Cons-03: \$2.5 million)	15 December 2020	Revised	30 January 2021	Proposal submission date has been extended which has resulted in revision of timelines. Apart from this, winter holidays affected approvals.
4	Hiring of UMDS Consultants	Opening of Technical Proposals for Urban Mobility Design Supervision (UMDS) Consultancy (PICIIP-Cons-05B: \$3 million) Submission 2	17 December 2020	Revised	8 January 2021	Date of submission of EOIs was extended by 2 weeks for lack of participation of firms.
5	Hiring of LGA Capacity Building Consultants	EOIs to be received for LG&CDD Capacity Building Consultancy (PICIIP-Cons-05A: \$3.5 million) Submission 1	19 November 2020 29 December 2020	Intact Revised	EOIs received 15 January 2021	- Delay in convening the CSC meeting
6	Hiring of Audit and Finance Consultants	EOIs to be received for Audit and Finance Consultancy (PICIIP-Cons-04: \$0.3 million) Submission 1 (RFP, shortlist) to ADB	15 November 2020 2 December 2020	Intact Revised	EOIs received 15 January 2021	- Delay in convening the CSC meeting
7	Hiring of Individual Consultants	Phase 2 Hiring under PICIIP-Cons-01A (\$1 million): Hiring and mobilization of External Safeguards Monitoring Expert, smart city development specialist and Urban Development Specialist	25 October 2020	Target achieved	-	-

Sr. No	Issue	Action to be Taken	Due Date	Current Status	Revised Due Date/ Agreed Action	Reason of Delay (if any)
		PMU shall also initiate the process for Phase 3 hiring under PICIIP-Cons-01A package within the month of October. This includes hiring: Legal Expert Municipal Finance Specialist PPP Specialist M&E Specialist Urban Economist	25 December 2020	Revised	15 January 2021	Delay in CSC meeting
8	Revised PC-I of PMU/CIU Establishment and PC-II of PICIIP-Cons_01A	Submission of Revised PC-I PMU/CIU Establishment and PC-II of PICIIP-Cons_01A for approval of competent authority	31 December 2020	Under preparation	15 January 2021	-
9	Hiring completed for currently vacant staff of PMU/CIUs	Complete hiring of staff for PMU and CIUs	31 December 2020	Positions advertised, applications received, shortlisting meeting to be convened	31 January 2021	-
10	EPCM Consultant VO4	Submit to ADB a request of Variation Order	31 December 2020	VO is being deliberated with EPCM Consultant	-	Submission of VO4 to ADB would require approval from competent forum which might delay the timelines.

Sr. No	Issue	Action to be Taken	Due Date	Current Status	Revised Due Date/ Agreed Action	Reason of Delay (if any)
11	Land Acquisition Process	<p><u>Land Acquisition in Sahiwal:</u></p> <ul style="list-style-type: none"> • 5 acres of land for Pumping Station (North Zone) and 196 acres of land for WWTP: <ul style="list-style-type: none"> Issuance of Section 9 Issuance of Section 10 Issuance of Section 11 • 5 acres of land for Pumping Station (South Zone): <ul style="list-style-type: none"> Issuance of Section 5A Issuance of Section 6, 7 and 8 Issuance of Section 9 and 10 Issuance of Section 11 <p><u>Land Acquisition in Sialkot:</u></p> <ul style="list-style-type: none"> • 154 acres of land for WWTP: <ul style="list-style-type: none"> Issuance of Section 9 Issuance of Section 10 Issuance of Section 11 • 2 acres of land for Pumping Station: <ul style="list-style-type: none"> Issuance of Section 5 Issuance of Section 5A, 6, 7 and 8 Issuance of Section 9 and 10 Issuance of Section 11 • 84 acres for WWTP (additional land) <ul style="list-style-type: none"> Issuance of Section 5 Issuance of Section 5A, 6, 7 and 8 Issuance of Section 9 and 10 Issuance of Section 11 	 30 September, 2020 15 October, 2020 26 October, 2020 12 Oct, 2020 25 Oct, 2020 15 Nov, 2020 20 Nov, 2020 30 Sep, 2020 20 Oct, 2020 30 Oct, 2020 12 Oct, 2020 17 Nov, 2020 05 Dec, 2020 20 Dec, 2020 12 Oct, 2020 17 Nov, 2020 05 Dec, 2020 20 Dec, 2020	 Achieved Achieved Achieved Achieved Achieved Achieved Achieved Achieved Achieved Achieved Achieved Achieved Achieved Achieved Revised Achieved Achieved Revised Revised	 30 September, 2020 15 October, 2020 26 October, 2020 12 Oct, 2020 25 Oct, 2020 15 Nov, 2020 20 Nov, 2020 30 Sep, 2020 20 Oct, 2020 12 Nov, 2020 13 Oct, 2020 22 Nov, 2020 30 Dec, 2020 09 Jan, 2021 13 Oct, 2020 22 Nov, 2020 21 Jan, 2021 31 Jan, 2021	

Sr. No	Issue	Action to be Taken	Due Date	Current Status	Revised Due Date/ Agreed Action	Reason of Delay (if any)
12	LARP Submission and Approval	<u>LARP Submission and Approval Schedule:</u> <ul style="list-style-type: none"> <li data-bbox="468 354 940 412">• LARP 1- (North Zone): Resubmission of LARP by ADB <li data-bbox="468 444 940 535">• LARP 2- Sahiwal Pumping Station (South Zone): Resubmission of LARP <li data-bbox="468 568 940 626">• LARP 3- Sialkot Pumping Station Resubmission of LARP <li data-bbox="468 659 940 717">• LARP 4- Sahiwal WWTP: Submission of LARP <li data-bbox="468 750 940 841">• LARP 5- Sialkot WWTP: Main Report: Submission of LARP <p data-bbox="512 873 762 932">Addendum: Submission of LARP</p>	30 Oct 2020	Revised	15 Jan, 2021	Delays in LARP submission / resubmissions awaiting findings of Independent Valuation Study.
		12 December 2020	Revised	20 Jan, 2021		
		18 December 2020	Revised	25 January 2021		
		15 December 2020	Revised	31 Jan 2021		
		8 November 2020	Revised	10 March 2021		
		30 Dec 2020	Revised	20 March 2021		

Pictures of On-going Projects

A. PICIP-01: Upgradation of 3 Existing Parks in Sahiwal



Picture 1: Painting work at Kiosk in Farid Town Park



Picture 2: Laying of Tuff Paver on front walkway in Farid Town Park



Picture 3: Planation at central Planter in Farid Town Park



Picture 4: Water sample collection from Fateh Sher



Picture 5: Children Play Equipment, Fateh Sher Park



Picture 6: Polishing of Gazebo Wood Work in Chaman Zar Park



Picture 7: Fixing of Natural Stone on Kiosk at Chaman Zar Park



Picture 8: Fixing of Boundary Wall Grill, Chaman Zar Par



Picture 9: Program Director's Visit to Sahiwal and meeting with District Administration

B. SIALKOT PARKS



Picture 10: Flooring work of Gazebo at Abdul Hakeem Park



Picture 11: Fixing of Khaprail Tiles on Toilet Block at Model Town Park



Picture 12: Plinth Protection work of Kiosk at Sialkot Fort Park



Picture 13: Ceramic Tiles Fixing in Toilet Block of Abdul Hakeem Park



Picture 14: Construction of Sewer Manhole at Gulshan-e-Iqbal Park



Picture 15: Construction of Jogging Track at Gulshan-e-Iqbal Park



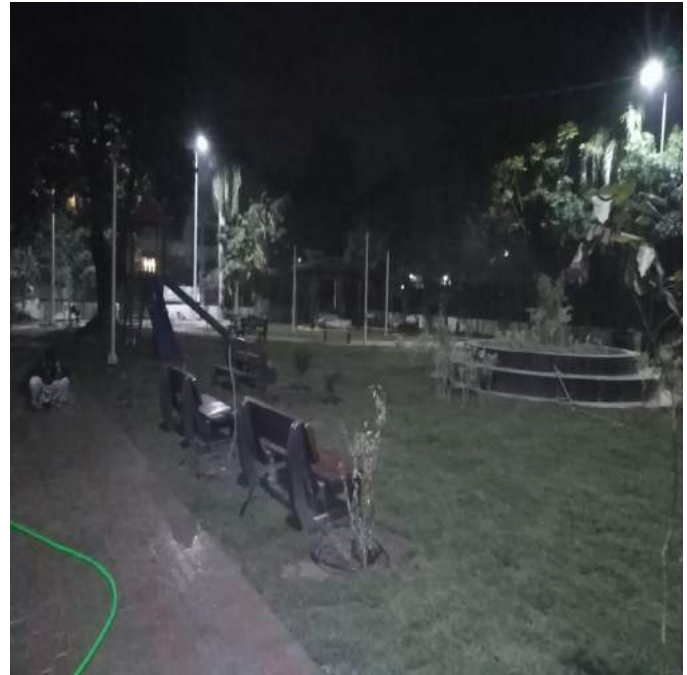
Picture 16: Preparatory Visit for Inauguration Ceremony of 03 Small Parks



Picture 17: Plantation in Model Town Park



Picture 18: Slide unit at Model Town Park



Picture 19: Model Town Park



Picture 20: Training Activities at Project Site



Picture 21: Abdul Hakeem Park



Picture 22: Program Director's Visit to Sialkot and meeting with District Administration

C. PLGA, LAHORE



Picture 23: Elevation 1 from Horizon Hospital



Picture 24: Top view of Project Site



Picture 25: Steel Fixing & Concreting of Basement – 1 Columns



Picture 26: Elevation 2

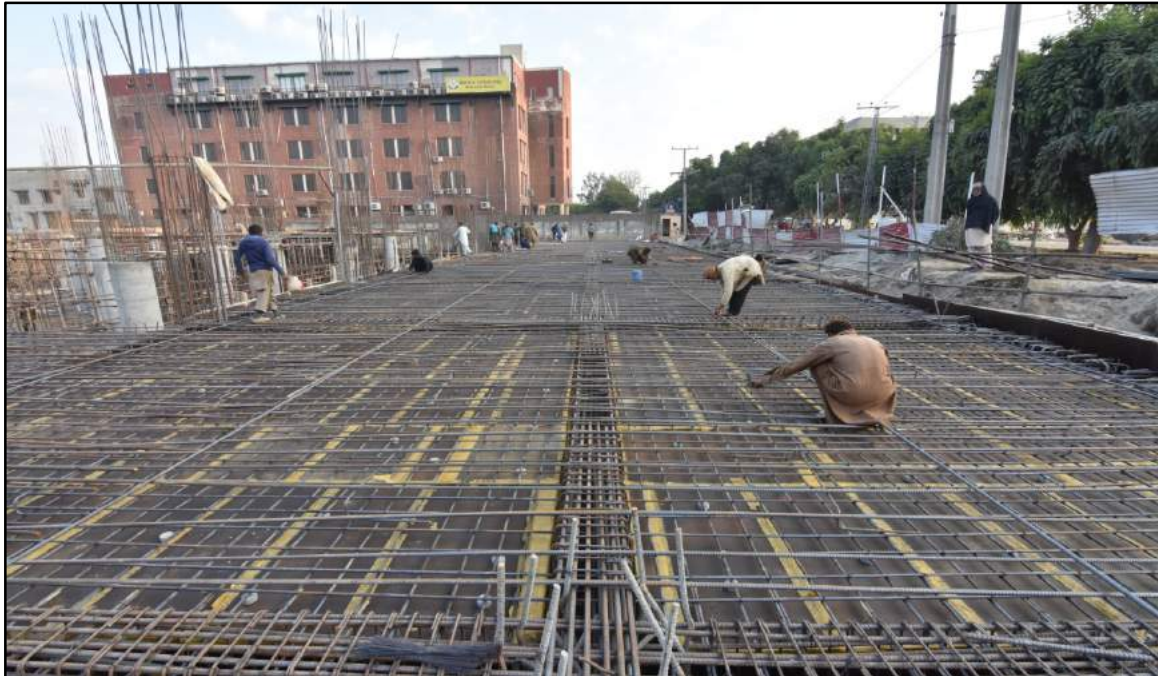


Figure 27: Steel Fixing 1st Basement Front Half



Picture 28: Rear Side Perspective View Ground Floor dated 31 December 2020

D. SWM Equipment/Machinery



Picture 29: Delivery of Wheel Excavator to MC Sialkot



Picture 30: Delivery of Chain Arm Roll Truck to MC Sialkot



Picture 31: Handing over of Machinery to Sialkot city held on 9 December 2020

E. WATSAN Projects



Picture 32: Contract Signing of PICIP-03 Lot 1



Picture 33: Contract Signing of PICIP-11 Lot 1, 2 and 4