

Quarterly Progress Report

Project Number: 46526-007

Loan Number: 3562-PAK

Date: October 2022

Punjab Intermediate Cities Improvement Investment Project

QPR for the reporting period 1st April 2022 to 30th June 2022

Prepared by Project Management Unit of PICIIP, Government of Punjab, Pakistan

NOTES

- (i) The fiscal year (FY) of the Government of the Islamic Republic of Pakistan and its agencies ends on 30 June.
- (ii) In this report “\$” refer to US dollars.

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Maps

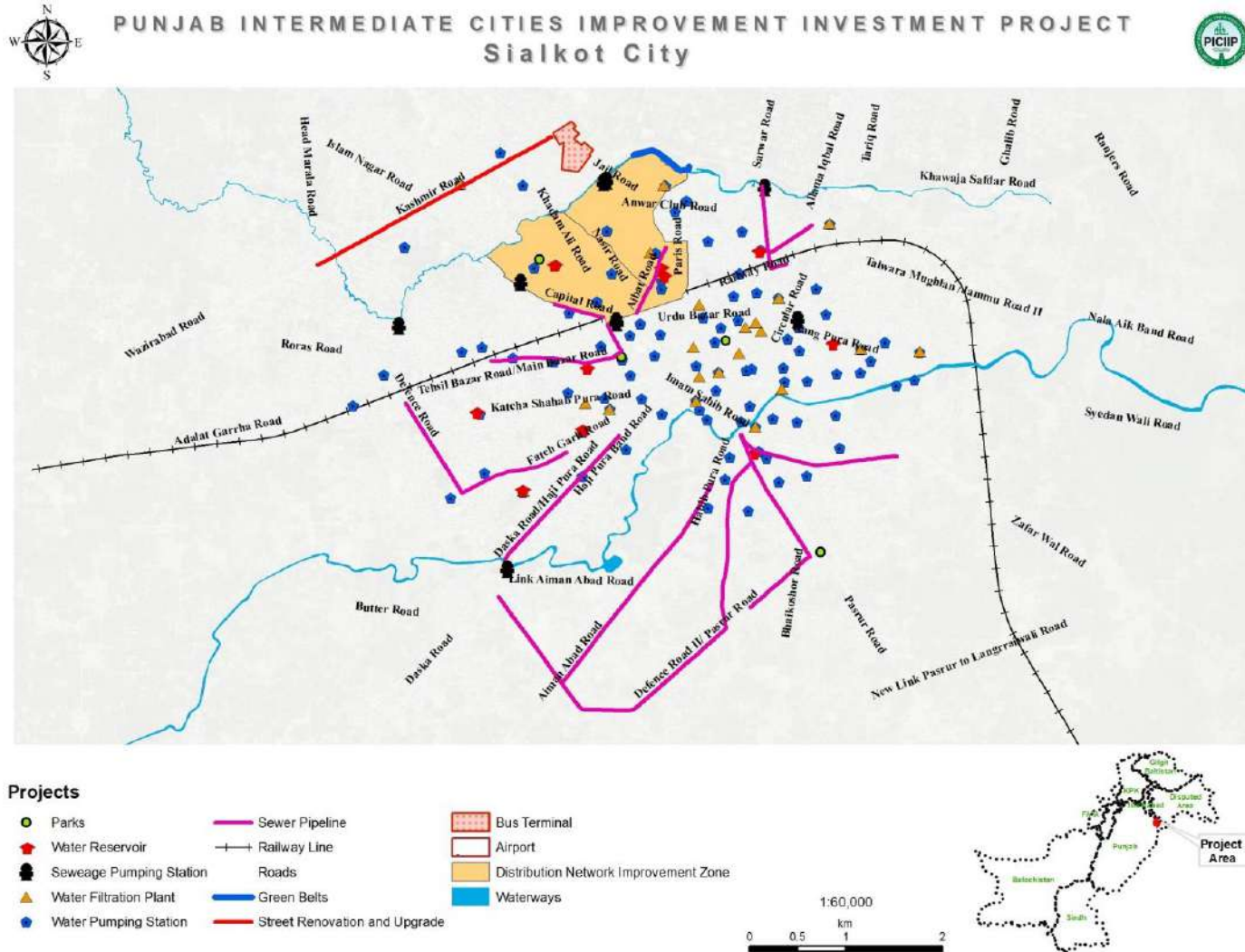
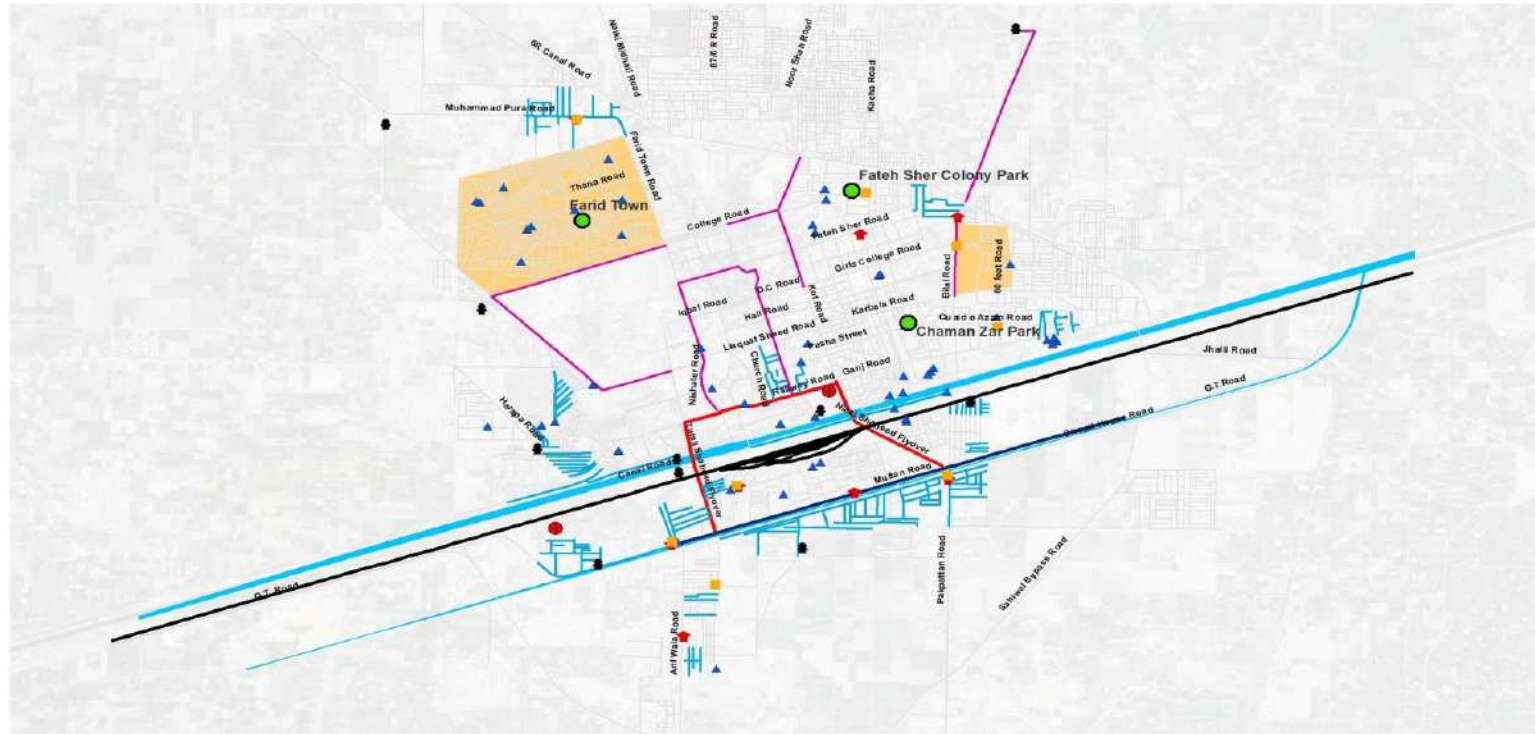


Figure 1: Map showing sub projects of Sialkot



PUNJAB INTERMEDIATE CITIES IMPROVEMENT INVESTMENT PROJECT Sahiwal City



Projects

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

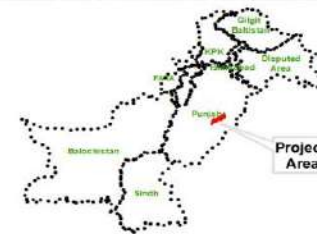


Figure 2: Map showing sub projects of Sahiwal

1 Project at a Glance

Basic Data																										
Project Name	Punjab Intermediate Cities Improvement Investment Project		Approval Number	3562-PAK																						
Executing Agency	Local Government and Community Development Department, Government of Punjab																									
Implementing Agencies	City Governments of Sahiwal and Sialkot (Municipal Corporations)																									
Safeguards & Gender	Environment: B ; Involuntary Resettlement: A ; Indigenous Peoples: C ; Gender: EGM																									
Sector	• Water and other urban infrastructure and services	Subsector(s)	• Other urban service • Urban flood protection																							
Project Cost by Financier (\$ millions)																										
Project Cost:	250.0	ADB Loan:	200.0	Government Share	50.0																					
Project Design Summary																										
Impact	Impact the Project is Aligned with: <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. <u>Sanitation systems improved</u> through the installation of 3 sewage pumping stations (Sahiwal-2; Sialkot-1), replacement of about 40 km of sewer pipes (Sahiwal-10 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 7 parks (Sahiwal-3; Sialkot-4), greenbelts, footpaths etc. <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	1 Nov-1 Dec 21																					
Time Elapsed versus Contract Awards and Disbursements (Cumulative as of 30 June 2022)																										
Elapsed Time %age		70 %	100	Disbursement %age																						
				34.47 %																						
				100																						
*34.47% includes utilization from Imprest Account during the said period																										
CAD Performance of the Year 2022 (Table 1)																										
Contract Award 2022 (Projected vs Actual)			Disbursement / Utilization 2022 (Projected vs Actual)																							
<table border="1"> <caption>Contract Award 2022 (Projected vs Actual)</caption> <thead> <tr> <th>Category</th> <th>Amount (Million)</th> </tr> </thead> <tbody> <tr> <td>Projected</td> <td>31.10</td> </tr> <tr> <td>Achieved</td> <td>0.00</td> </tr> </tbody> </table>			Category	Amount (Million)	Projected	31.10	Achieved	0.00	<table border="1"> <caption>Disbursement / Utilization 2022 (Projected vs Actual)</caption> <thead> <tr> <th>Quarter</th> <th>Projected</th> <th>Total Achieved</th> <th>Direct Payments</th> <th>Imprest Account</th> </tr> </thead> <tbody> <tr> <td>Q1</td> <td>14.58</td> <td>3.55</td> <td>1.00</td> <td>2.55</td> </tr> <tr> <td>Q2</td> <td>11.63</td> <td>0.84</td> <td>0.04</td> <td>0.80</td> </tr> </tbody> </table>			Quarter	Projected	Total Achieved	Direct Payments	Imprest Account	Q1	14.58	3.55	1.00	2.55	Q2	11.63	0.84	0.04	0.80
Category	Amount (Million)																									
Projected	31.10																									
Achieved	0.00																									
Quarter	Projected	Total Achieved	Direct Payments	Imprest Account																						
Q1	14.58	3.55	1.00	2.55																						
Q2	11.63	0.84	0.04	0.80																						

2 Office Establishment and Staffing

1. Revised PC-I for establishment of PMU and CIUs for PICIIP Projects was approved by the PDWP on 23 June 2021. Issuance of admin approval was done on 8 July 2021. Key staff strength in PMU and CIUs is 110. Vacant positions have been advertised publicly for open competition on 5 June 2022 and shortlisting has been initiated. Detail of current staffing arrangement is attached as Appendix-1.

2. The procurement of General Office, IT Equipment, Furniture and Fixtures, Office Repair and Communication & Media Equipment was initiated in last quarter of year 2021 and major supplies have been completed. It is presumed that increase in Human Resource and facilities will improve the overall performance of the project.

3 Utilization of Funds

3.1 Contract Awards and Procurement Status

3. Package PICIIP-24- General Office, IT Equipment, Furniture and Fixtures, Office Repair and Communication & Media Equipment comprises six lots i.e., Lot- 1: Laptop, Desktop Computers and UPS, Lot-2: Servers and Miscellaneous IT Equipment, Lot-3: Multimedia Equipment, Lot-4: Printing Equipment, Lot-5 Diesel Generator 100 KVA and Lot-6 Procurement of AC, Refrigerator. Contracts for Lot 1, 2 and 3 were signed on 23 November 2021 and for Lot 4 was signed on 20 June 2022 while delivery of the equipment of Lot-4 is 50% completed. Price Bid/ Quotation was submitted on 29 March 2022 for the Procurement/Supply of Lot-5 and contract has been signed on 16 June 2022 with M/s S.M. Jaffar & co and PO issued on 16 June 2022 whereas goods of this lot was received. Price Bid / Quotation was submitted to PMU-PICIIP on 8 June 2022 for the procurement of Lot-6 and this quotation is accepted by PMU-PICIIP.

4. Invitation for bid (IFB) for hiring the services of Event Management Firm was published on 6 December 2021 with the bid submission date of 20 December 2021. Three bids were received. Accordingly, after seeking concurrence from the ADB, the contract was signed with the lowest bidder on 3 June 2022.

5. Package PICIIP-27 Parking sheds for Sahiwal and Sialkot was re-advertised on 25 January 2022 with the submission date of 28 February 2022 which was extended till 15 March 2022. In current quarter design change for Parking Sheds is under process by EPCM consultant.

6. Terms of Reference of PICIIP_Cons-07 Smart Cities Planning Initiative Consultant Firm have been approved by Consultant Selection Committee (CSC) and Provincial Development Working Party (PDWP). In response to the first RFP issued on 16 December 2021, none of the firms were technically qualified the RFP were issued to the same six (06) shortlisted firms after ADB NOL on 16 March 2022. Two firms have been technically qualified as per report of CSC for which submission 2 was made to the ADB dated 31 July 2022. NOL for financial opening was issued by ADB dated 22 August 2022. Financial bids were opened dated 29 August 2022. Financial evaluation was under process till closing of current quarter.

7. Detail of all procurement and consulting services contracts under the project (as per version 8 of the procurement plan) is provided as **Appendix 2**.

3.2 Project Expenditure

8. Against a 70% of project lapsed period, the cumulative financial disbursement is \$ 64.952 million i.e., 34.47% of total loan amount. At the end of the period under report, the cumulative project expenditure stood at \$ 68.648 million. This includes: (i) \$ 57.571 million from ADB OCR loan, and (ii) \$ 12.077 million from local (counterpart) contribution.

3.3 Contract Award and Disbursement (CAD) Performance

9. The currently applicable Contract Awards and Disbursements targets and achievements are as follows:

Table 1 CAD Performance of the Year 2022

Period	Contract Awards (\$million)			Disbursement (\$million)		
	Projected	Actual	Achieved %	Projected	Actual	Achieved %
Quarter 1 (Jan-Mar)	31.10	0	0	14.58	3.55	24.35
Quarter 2 (Apr-Jun)	16.25	0	0	11.63	0.84	7.22
Quarter 3 (Jul-Sep)	0.00	0	0	13.07	0	0
Quarter 4 (Oct-Dec)	1.85	0	0	15.79	0	0
Total 2022	49.20	0		55.07	4.39*	

* Disbursement amount includes utilization from Imprest Account and Direct Payments during the period.

3.3.1 PICIIP-01-Public Spaces

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

Table 2 Payment Details PICIIP-01-Public Spaces

Sr. No.	Name of Contract	Contract Value (\$)	Paid in Q1 2022 (\$)	Paid in Q2 2022 (\$)	Total Paid till 30 June 2022 (\$)
1	PICIIP-01-PUBLIC SPACES: Lot 1 Upgradation of 3 existing parks in Sahiwal	1,106,679	1,053,159	-	1,053,159
2	PICIIP-01-PUBLIC SPACES: Lot 2 (Upgradation of 4 existing parks in Sialkot)	2,132,824	1,675,427	-	1,675,427

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

11. 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 in Q1 2022 (\$)	Paid in Q2 2022 (\$)	Total Paid till 30 June 2022 (\$)
1	PICIIP-02- SWM, Water and Sanitation Equipment (Lot 1)	2,036,269	2,036,269	0	2,036,269
2	PICIIP-02- SWM, Water and Sanitation Equipment (Lot 2)	1,694,107	1,694,107	0	1,694,107
3	PICIIP-02- SWM, Water and Sanitation Equipment (Lot 3)	2,037,736	1,833,962	0	1,833,962

3.3.3 PICIIP-14-PLGA Lahore

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

Table 4 Payment Details PICIIP-14-PLGA Lahore

Sr. No.	Name of Contract	Contract Value (\$)	Paid in Q1 2022 (\$)	Paid in Q2 2022 (\$)	Total Paid till 30 June 2022 (\$)
1	PICIIP-14 PLGA, Lahore	12,934,867	7,325,320	-	7,325,320

3.3.4 PICIIP-03-Water Supply & Sanitation (WATSAN) Works for Sahiwal

13. 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 (\$)	Paid in Q1 2022 (\$)	Paid in Q2 2022 (\$)	Total Paid till 30 June 2022 (\$)
1	Lot - 1	13,015,329	5,767,596	151,426	5,919,022
2	Lot - 2	13,191,523	5,787,433	0	5,787,433
3	Lot - 3	11,850,160	2,246,896	12,740	2,259,636
4	Lot - 4	12,351,701	3,217,902	64,488	3,282,390

3.3.5 PICIIP-11-Water Supply & Sanitation (WATSAN) Works for Sialkot

14. 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 (\$)	Paid in Q1 2022 (\$)	Paid in Q2 2022 (\$)	Total Paid till 30 June 2022 (\$)
1	Lot - 1	12,076,464	4,317,904	0	4,317,904
2	Lot - 2	11,514,409	4,833,619	0	4,833,619
3	Lot - 3	7,247,825	2,137,649	81,214	2,218,863
4	Lot - 4	9,813,039	3,176,792	0	3,176,792

3.3.6 PICIIP-12 WWTP Sialkot

15. The details of the contracted amount and payments for package PICIIP-08-WWTP Sialkot is as under:

Table 7 : Payment details of PICIIP-12 WWTP Sialkot

Sr. No.	Name of Contract	Contract Value (\$)	Paid in Q1 2022 (\$)	Paid in Q2 2022 (\$)	Total Paid till 30 June 2022 (\$)
1	WWTP Sialkot	10,344,453	1,543,589	0	1,543,589

3.3.7 PICIIP-04A Sahiwal Roads Upgradation

16. The details of the contracted amount and payments for package PICIIP-08-WWTP Sialkot is as under:

Table 8 Payment details of PICIIP-04A Sahiwal Roads Upgradation

Sr. No.	Name of Contract	Contract Value (\$)	Paid in Q1 2022 (\$)	Paid in Q2 2022 (\$)	Total Paid till 30 June 2022 (\$)
1	Roads Sahiwal	1,371,962	204,665	109,406	314,071

3.3.8 PICIIP-02: Engineering, Procurement and Construction Management

17. The details of the contracted amount and payments for package PICIIP-Cons_2, Engineering, Procurement and Construction Management Consultant (Firm) is as under:

Table 9 Payment Detail of PICIIP-Cons_2: Engineering, Procurement and Construction Management Consultancy

Sr. No.	Name of Contract	Contract Value (\$)	Paid in Q1 2022 (\$)	Paid in Q2 2022 (\$)	Total Paid till 30 June 2022 (\$)
1	EPCM	1,281,331,216	4,185,291	29,561	4,214,852

3.3.9 PICIIP-05B Urban Mobility & Design Supervision Consultant (UMDS)

18. The details of the contracted amount and payments for package PICIIP-Cons_05B, Urban Mobility (Preparation of land use plan, urban transport plan and urban mobility planning) Design and Supervision Consultant (Firm) is as under:

Table 10 Payment Detail of PICIIP-Cons_05B: UMDS

Sr. No.	Name of Contract	Contract Value (\$)	Paid in Q1 2022 (\$)	Paid in Q2 2022 (\$)	Total Paid till 30 June 2022 (\$)
1	UMDS	2,927,975	334,373	21,635	356,008

3.3.10 PICIIP-03 Operational Design and Business Model Consultant (ODBM)

19. The details of the contracted amount and payments for package PICIIP-Cons_03, Operational Design and Business Model Consultant (Firm) is as under:

Table 11 Payment Detail of PICIIP-Cons_03: Operational Design and Business Model Consultant

Sr. No.	Name of Contract	Contract Value (\$)	Paid in Q1 2022 (\$)	Paid in Q2 2022 (\$)	Total Paid till 30 June 2022 (\$)
1	ODBM	2,086,222	344,358	26,457	370,815

3.3.11 PICIIP-05A Capacity Building of LG&CD

20. The details of the contracted amount and payments for package PICIIP-Cons_05A, Capacity Building of Local Government and Community Development Department Consultant (Firm) is as under:

Table 12 Payment Detail of PICIIP-Cons_05A: Capacity Building of Local Government Department Consultancy

Sr. No.	Name of Contract	Contract Value (\$)	Paid in Q1 2022 (\$)	Paid in Q2 2022 (\$)	Total Paid till 30 June 2022 (\$)
1	Capacity Building	3,721,061	46,894	0	46,894

3.3.12 PICIIP-04 Audit and Finance Consultant

21. The details of the contracted amount and payments for package PICIIP-Cons_04, Audit and Finance consultancy (Firm) is as under:

Table 13 Payment Detail of PICIIP-Cons_04: Audit & Finance Consultant Firm

Sr. No.	Name of Contract	Contract Value (\$)	Paid in Q1 2022 (\$)	Paid in Q2 2022 (\$)	Total Paid till 30 June 2022 (\$)
1	Audit & Finance Consultants	793,008	23,379	21,821	45,200

3.4 Counterpart Funds

22. The counterpart funds amounting to Rs. 100.00 million have been released for the financial year 2021-22. In addition to above, a supplementary grant for land acquisition amounting to Rs. 310.00 million has also been released and a request for Grant in Aid for Resettlement Assistance amounting to Rs. 85.97 million is in process with Finance Department.

Table 14 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	282.598	94.20
5	2021-22	100.00	410.00	401.83	98.01
Total (PKR Million)		850.137	1,743.85	1,687.07	

4 Implementation Progress by Component

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

4.1 Output 1 & 2: Water supply and Sanitation systems improved

4.1.1 Preparatory Work

24. Preparatory work for Water and Sanitation Sector projects (packages PICIIP-03 Sahiwal WATSAN, PICIIP-08A Sahiwal WWTP, PICIIP-11 Sialkot WATSAN and PICIIP-12 Sialkot WWTP) i.e., PC-Is approvals by Provincial Development Working Party (PDWP), issuance of admin approvals, detailed engineering designs, technical sanctions etc. were completed in year 2020. Please refer to Table A2.1.1: Preparedness of the Subprojects under implementation.

4.1.2 Implementation Status

25. Contract Package PICIIP-03 WATSAN Sahiwal contains 4 lots. Details of implementation status of individual WATSAN lots and Wastewater treatment plant are as follows;

4.1.2.1 Sahiwal WATSAN Lot-1 Water Supply System, Filtration Plants, Tube-wells, OHRs, and Allied Works-Sahiwal

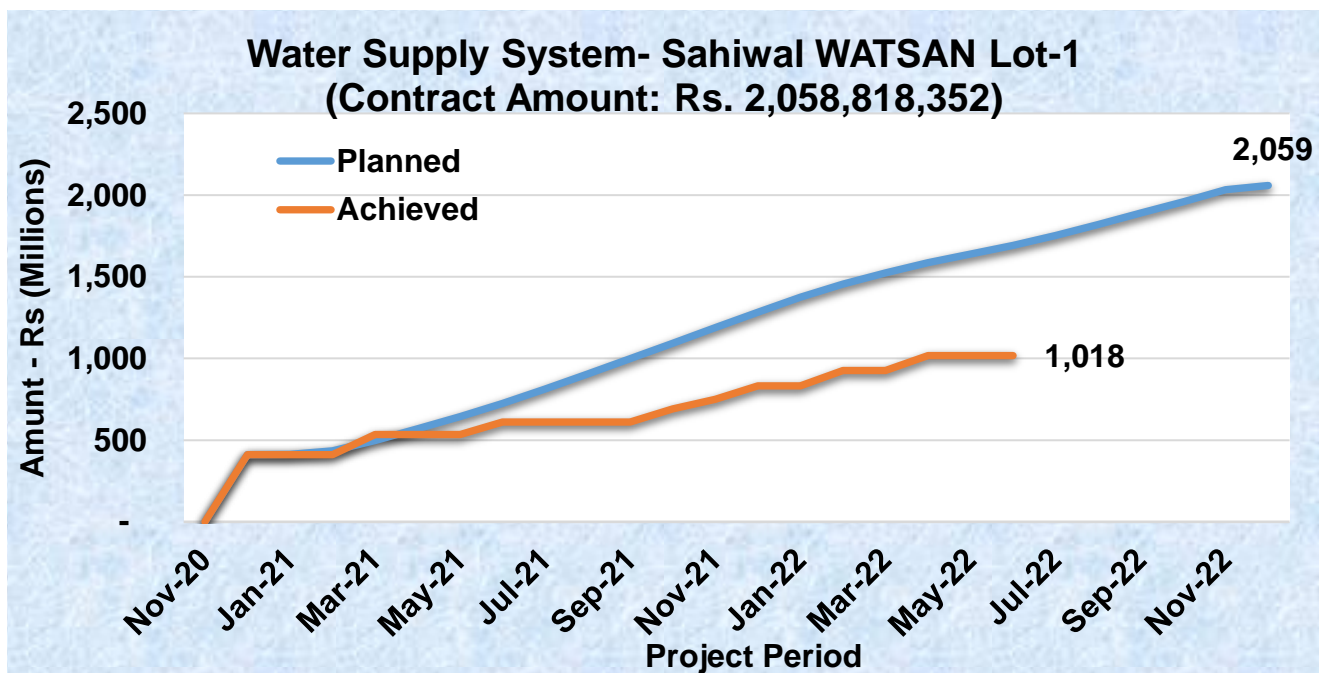
26. The contract for PICIIP-03 Sahiwal WATSAN Lot 1 was awarded to M/s TMT-MAC JV on 17 November 2020 for PKR 2,058,818,352. The civil works commenced on 17 December 2020 with the contract completion date of 16 December 2022. Physical progress achieved is 43.08% versus 77.75% planned (a lag of 34.67%). The financial progress is 44.9% inclusive of mobilization advance. Progress of the contractor was slowed due to non-availability of site and issues with the Metropolitan Corporation Sahiwal and the Parks and Horticulture for lying of line in the green belts. The NOC was required for the installation of tube well from irrigation department. The issues were resolved with PHA as well as the irrigation departments. Contractor has paced up the progress to complete the project within timeline. To expedite the pace of work Contractor's management should take keen interest in project activities and spend more time at site to ensure timely completion of the Project.

27. The progress status and S-Curve for Lot 1 are given below. For more details of planned v/s achieved progress and pictures of ongoing works, please refer to Table 26 and Appendix 12 respectively.

Table 15 Progress Status of PICIIP – 03 Sahiwal WATSAN Lot 1: Water Supply System, Filtration Plants, Tube-wells, OHRs, SCADA and Allied Works-Sahiwal as on September 30, 2022

Sr. No.	Project Components	Quantity	Actual Progress	
1	Pump out Test & Installation of Tube well	2	Nil	
2	Installation of Tube well	26	Boring and pipe lowering of 25 Tube Wells completed. Development and testing (DNT) of 17 Tube Wells completed.	33%
3	Tube well Pump House	28	Structure work of 14 pump houses completed	50%

Sr. No.	Project Components	Quantity		Actual Progress	
4	Water Distribution Network (HDPE Pipe) 3" to 10"	3"	332.6 Km	231.88 Km Pipe laid	70%
		4"	87.4 Km	65.99 Km Pipe laid	75%
		6"	83.2 Km	65.87 Km Pipe laid	79%
		8"	38.4 Km	29.09 Km Pipe laid	76%
		10"	1.4 Km	1.26 Km pipe laid	90%
5	Over Head Tank 100,000- & 150,000-Gallons Capacity	100,000	3	Dome is completed one OHR. Bowl is in Progress one OHR. and other one is completed till bottom of bowl.	88%
		150,000	1	Dome is completed.	85%
6	Staff Building at OHT	4		Structure work of 02 Staff building at OHR completed and one is in progress.	45%
7	Store Building at OHT	4		Structure work of 02 Store building at OHR completed and one is in progress.	45%
8	Boundary wall of OHT area	4		Nil	
9	Water Filtration Plant	10		Nil	
10	Rehabilitation of Tube well and Pump House	45		Boring and pipe lowering of 4 Tube Wells completed.	8%
11	Rehabilitation of Filtration Plants	20		Nil	
12	Rehabilitation of OHRs	7		Structural Investigation and construction Drawings are in progress.	2%
13	Environmental Management Plan (EMP) Implementation	Job		On-going activity	50%



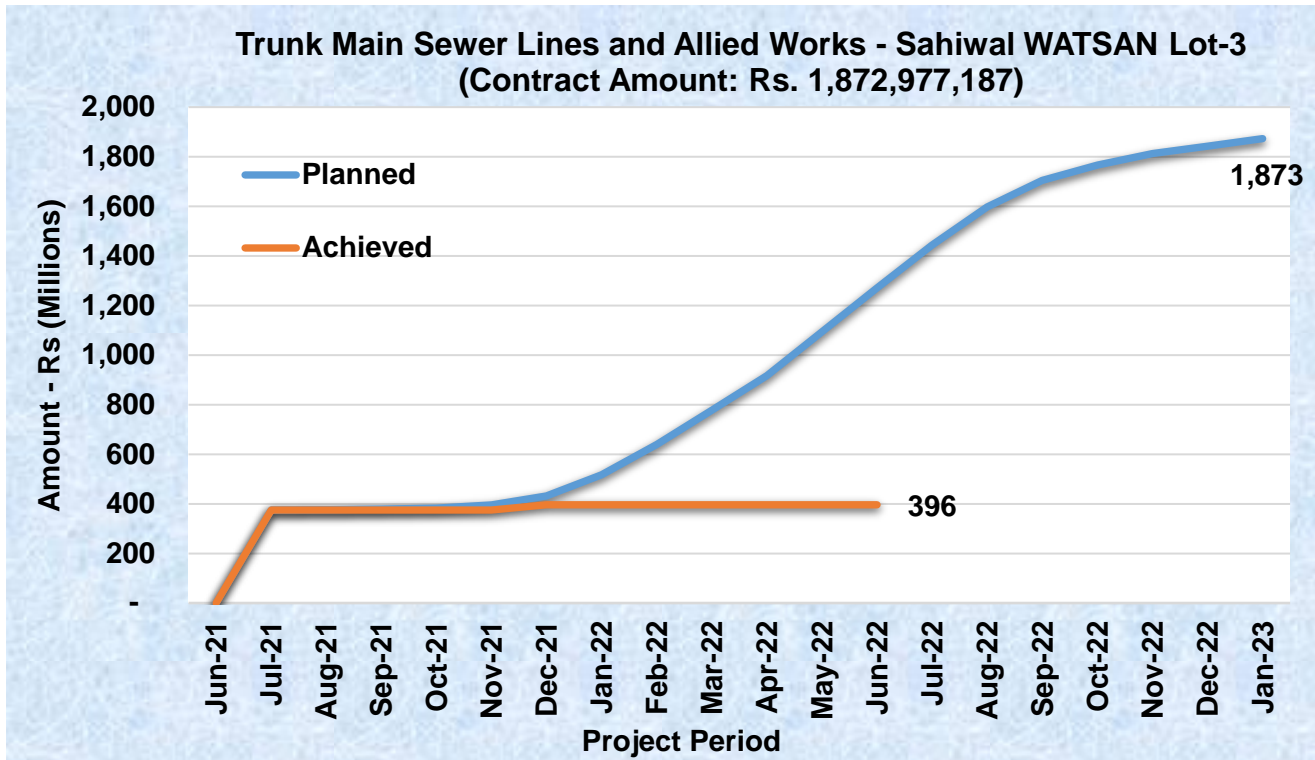
4.1.2.2 Sahiwal WATSAN Lot-2 North Zone A (Sanitation) Trunk Main Sewer Lines and Allied Works

28. The contract for PICIIP-03 Sahiwal WATSAN Lot 2 was awarded to M/s CGICOP on 13 October 2020 for PKR 2,128,310,935. The civil works commenced on 26 November 2020. Physical progress achieved is 43.32% versus 100% planned (a lag of 56.68%). The financial progress is 46.24% inclusive of mobilization advance. Request for Extension of time (EOT) was submitted by the Contractor for Lot-2 WATSAN Sahiwal which after determination by EPCM consultant was submitted to PMU. After due diligence case was submitted to ADB and after receiving ADB NOL, EOT was issued on 18 July 2018 to the Contractor with the revised completion date of 1 March 2023. Progress is behind the schedule due to various reasons such as less deployment of resources. Frequent meetings at different levels have been conducted to address the issues of alignment along the road. Alignment charts and design have also been shared with stockholders. It was decided in the meetings that sewer line will be laid along the road edgings, to avoid tree cutting. PMU is working in close liaison with District Administration to expedite the progress

29. The progress status and S-Curve for Lot 2 are presented below. For more details of planned v/s achieved progress and pictures of ongoing works, please refer to Table 29 and Appendix 12 respectively.

Table 16 Progress Status of PICIIP – 03 Sahiwal WATSAN Lot 2 North Zone A (Sanitation) Trunk Main Sewer Lines and Allied Works

Sr. No.	Project Components	Quantity (ft.)	Actual Progress	
1	RCC Conduit			
	Size: 7ft x 6ft	7,775 Rft		8.5%
	Excavation Rft		662 Rft	
	Blinding concrete (1:3:6)		546 Rft	
	RCC (1:1:2) Raft		507 Rft	
	RCC (1:1:2) Walls		429 Rft	
	RCC (1:1:2) Roof Slab		429 Rft	
	Steel Reinforcement		656.92-100 Kg	
2	Size: 10ft x 7.75ft	7925 Rft	0	
3	Influent wastewater pumping station (180 cusecs)	1	0	
4	Force main HDPE 1200 mm o/d (PN-08)	3 No.	0	
5	Sub Station Building	1500 Rft	0	
6	Office Building	3	0	



4.1.2.3 Sahiwal WATSAN Lot-3 North Zone B (Sanitation) Trunk Main Sewer Conduit, Influent Pumping Station and Allied Works

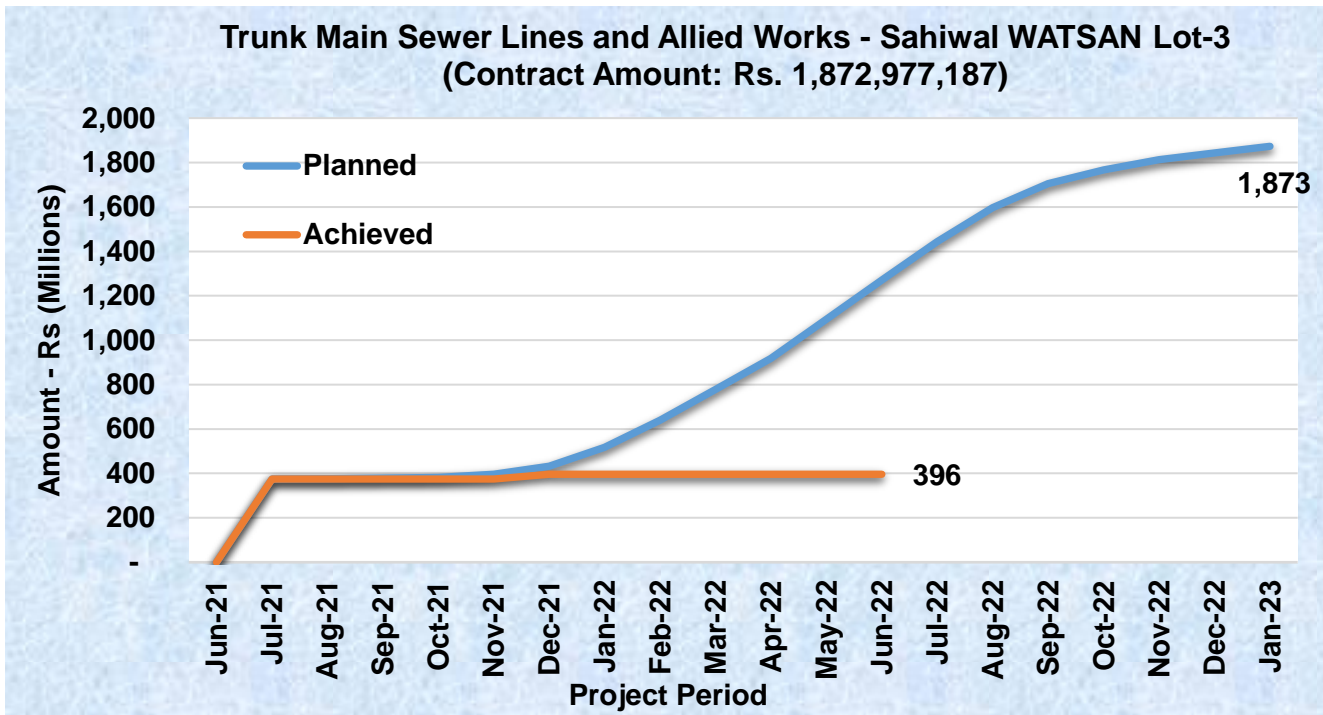
30. The contract for PICIIP-03 Sahiwal WATSAN Lot 3 was awarded to M/s CGICOP on 04 March 2021 for PKR 1,872,977,187. The commencement of works was issued to the contractor with effect from 29 July 2021 with the contract completion date of 27 January 2023. Work has been commenced at site but could not be paced up due to the issue of tree cutting. Physical progress achieved is 0.96% versus 33.02% planned (a lag of 32.06%). The financial progress is 20.88% inclusive of mobilization advance. There is conflict in design of the conduit, Contractor has arranged the concrete batching plant and transit mixtures etc. for the construction of cast in situ conduits but still the he did not submit the shop drawings. Now EPCM will prepare the design for the contractor and contractor will follow. Contractor needs to deploy more manpower as well as machinery to increase the pace of work.

31. The progress status and S-Curve for Lot 3 are presented below. For more details of planned v/s achieved progress and pictures of ongoing works, please refer to Table 29 and Appendix 12 respectively.

Table 17 Physical Progress on Sahiwal WATSAN (Lot-3) Trunk Main Sewer Conduit, Influent Pumping Station and Allied Works

Sr. No.	Project Components	Quantity (ft.)	Actual Progress
1	RCC Conduit		
	Size: 7ft x 6ft	7,775 Rft	
	Excavation Rft		662 Rft
	Blinding concrete (1:3:6)		546 Rft
	RCC (1:1:2) Raft		507 Rft
	RCC (1:1:2) Walls		429 Rft
			8.5%

Sr. No.	Project Components	Quantity (ft.)	Actual Progress
	RCC (1:1:2) Roof Slab		429 Rft
	Steel Reinforcement		656.92-100 Kg
2	Size: 10ft x 7.75ft	7925 Rft	0
3	Influent wastewater pumping station (180 cusecs)	1	0
4	Force main HDPE 1200 mm o/d (PN-08)	3 No.	0
5	Sub Station Building	1500 Rft	0
6	Office Building	3	0



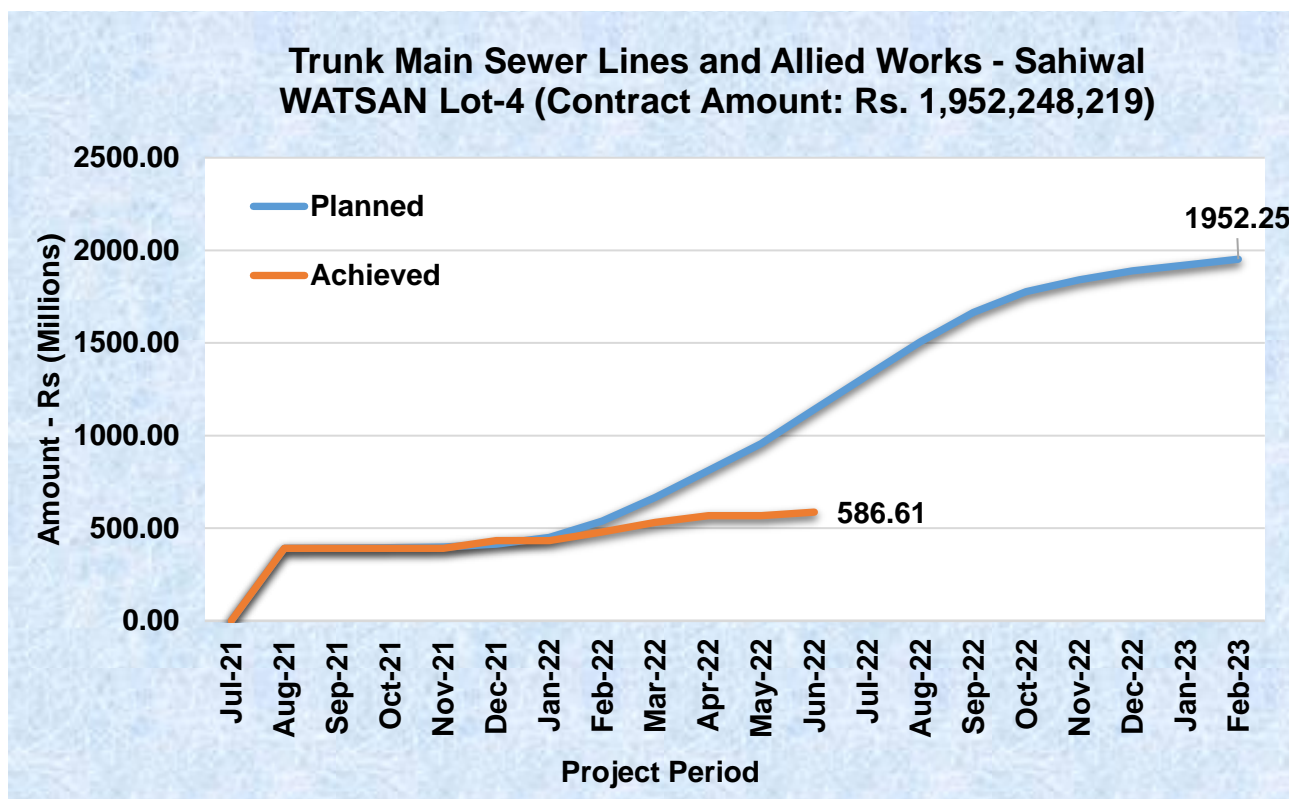
4.1.2.4 Sahiwal WATSAN Lot-4 South Trunk Main Sewer, Effluent Pumping Station and Allied Works

32. The contract for PICIIP-03 Sahiwal WATSAN Lot 4 was awarded to M/s ZKB-Reliable JV on 01 April 2021, for PKR 1,952,248,219. The commencement of works was issued to the contractor with effect from 25 August 2021 with the contract completion date of 23 February 2023. Physical progress achieved is 9.95% versus 33.21% planned (a lag of 23.26%). Financial Progress is 26.80%. Challenges include, delay in issuance of NOC by the Highway and Agriculture Departments, land acquisition and possession-related issues on disposal station site, SNGPL department’s reluctance to shift Sui Gas pipelines, unprecedented monsoon rains and cash flow issues of the contractor. In addition to this, the contractor has also not mobilized required resources as per contractual requirement which has added to the slow progress.

33. The progress status and S-Curve for Lot 3 are presented below. For more details of planned v/s achieved progress and pictures of ongoing works, please refer to Table 29 and Appendix 12 respectively.

Table 18 Physical Progress on Sahiwal WATSAN (Lot-4)

Sr. No.	Project Components	Quantity (ft.)	Actual Progress	
1	310 mm (12") i/d	2360		
2	380 mm (15") i/d	7384		
3	460 mm (18") i/d	9680		
4	530 mm (21") i/d	1456		
5	610 mm (24") i/d	2392	1,184 ft. Pipe Laid	49%
6	690 mm (27") i/d	2048		
7	760 mm (30") i/d	2352		
8	840 mm (33") i/d	8008		
9	910 mm (36") i/d	840		
10	1070 mm (42") i/d	9072	2,088 ft. Pipe Laid	23%
11	1220 mm (48") i/d	3336		
12	1370 mm (54") i/d	3712		
13	.	36000	4,784 ft. Pipe Laid	13%
15	1830 mm (72") i/d	2360		
Total No. of Pipes Casted = 3,032 Total No. of Pipes Laid = 1,007				



4.1.2.5 Construction of Waste Water Treatment Plant (WWTP) Sahiwal (North Zone)

34. The contract was awarded to M/s MAC-SARCO JV on 16 November 2021 for PKR 996,892,716 while commencement of work issued on 18 June 2022 with the completion date of 17 June 2024. But contractor has till date not mobilized its staff and causing further un due delay.

35. Contract Package PICIIP-11 WATSAN Sialkot contains 4 lots. Details of implementation status of individual WATSAN lots and Wastewater treatment plant are as follows;

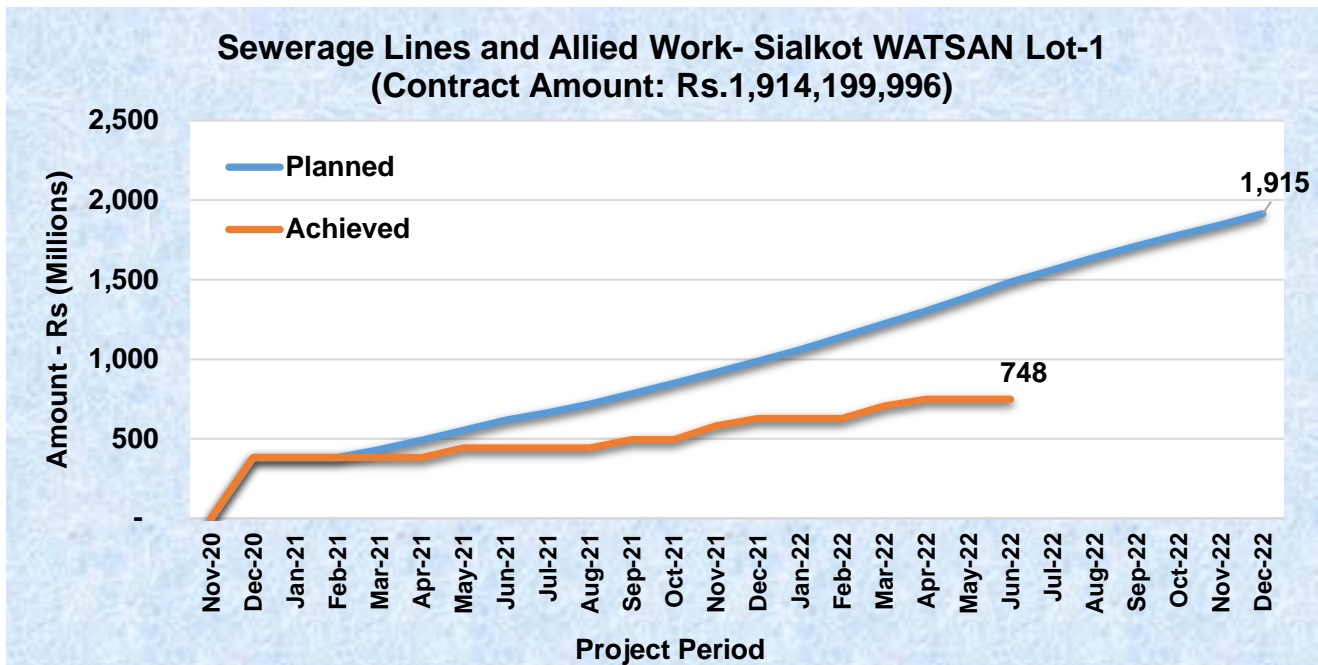
4.1.2.6 Sialkot WATSAN Lot-1 Sewerage Lines and Allied Works (Zone 3-A)

36. Contract was awarded to M/s ZKB-RELIABLE JV on 25 November 2020 for PKR 1,914,199,996. The Civil works commenced on 17 December 2020 with the completion date of 16 December 2022. Physical progress achieved is 23.04% versus 86.10% planned (lag of 63.06%) and financial progress is 36.41%. Backfilling of trenches for sewer laying were not as per standards. Therefore, Issue was raised to EPCM consultant-NESPAK. Now, sand layer has been added on backfilled trenches & technique of flooding on sand layer is being applied. This issue has been resolved. Furthermore, handing over of further sites (main roads) for laying of sewer to the contractor has been halted by district administration due to slow progress by the contractor in making under-execution roads motorable. PICIIP has taken this issue with the district administration and requested that the site possession of at least two main roads to be made to the contractor on immediate basis as handing over of sites is necessary to make up the progress lag and to complete the project in stipulated time frame.

37. The progress status and S-Curve for Lot-1 are given below. For more details of planned v/s achieved progress and pictures of ongoing works, please refer to Table 29 and Appendix 12 respectively.

Table 19 Progress Status of PICIIP – 11 Sialkot WATSAN Lot 1 Sewerage Lines and Allied Works (Zone 3-A)

Sr. No.	Project Components	Quantity (ft.)	Actual Progress	
1	310 mm (12") i/d	43,200		
2	380 mm (15") i/d	30,631	6408 ft. Pipe Laid	21%
3	460 mm (18") i/d	37,883	7656 ft. Pipe Laid	20%
4	530 mm (21") i/d	17,261	4953 ft. Pipe Laid	29%
5	610 mm (24") i/d	9,539	3344 ft. Pipe Laid	35%
6	690 mm (27") i/d	3,561		
7	760 mm (30") i/d	4,615	1,000 ft. Pipe Laid	22%
8	840 mm (33") i/d	14,119	2980 ft. Pipe Laid	21%
9	910 mm (36") i/d	8,154	3,910 ft. Pipe Laid	48%
10	1070 mm (42") i/d	11,242	5948 ft. Pipe Laid	53%
11	1220 mm (48") i/d	13,199	2544 ft. Pipe Laid	19%
12	1370 mm (54") i/d	8,888	4392 ft. Pipe Laid	49%
13	1520 mm (60") i/d	4,916	3170 ft. Pipe Laid	64%
14	1680 mm (66") i/d	3,225		
15	1830 mm (72") i/d	3,461		



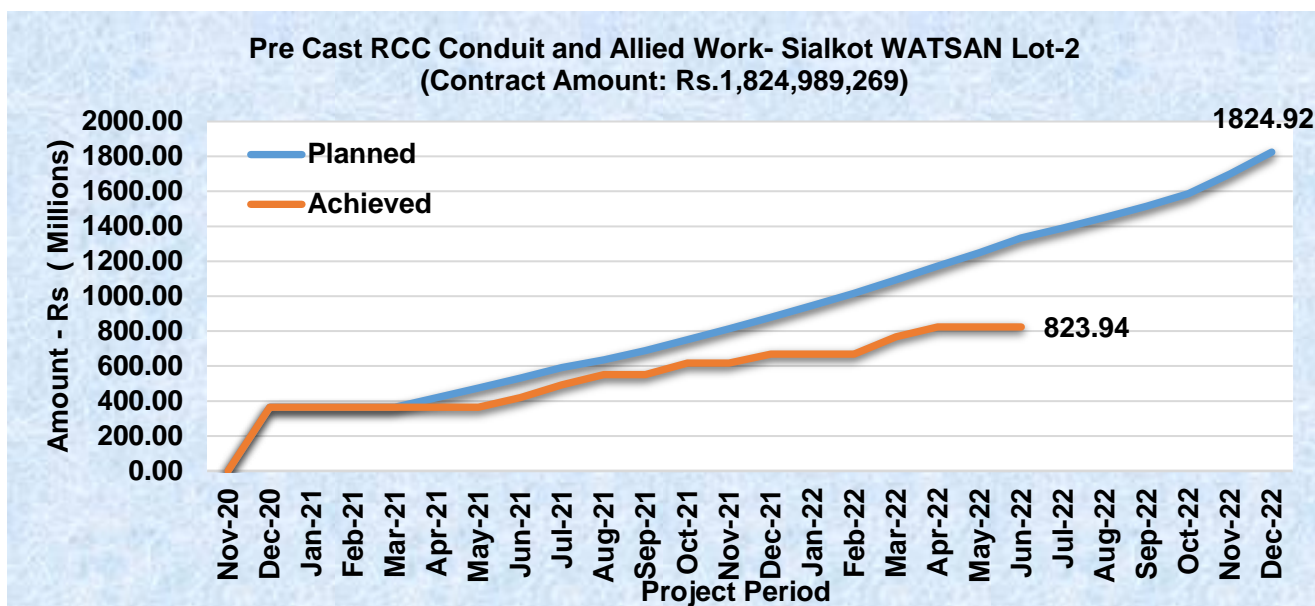
4.1.2.7 Sialkot WATSAN Lot-2 Pre-Cast RCC Conduits and Allied Works Zone 3-B

38. Contract was awarded to M/s ZKB-RELIABLE JV on 25 November 2020 for PKR 1,824,989,269. The works commenced on 17 December 2020 with the completion date of 16 December 2022. Physical progress achieved is 32.86% in pre-casting of conduits versus 74.14% planned (lag of 41.28%). Financial progress is 42.70% inclusive of mobilization advance. There remained serious concerns in methodology of work of conduits laying on roads where trenches were deep and width was narrow, closer to building line. Due to loose strata, sliding of trenches were a grave concern to address. As recommended by EPCM consultant NESPAK, shuttering on deep trenches is being applied to meet the onsite safety requirements. Furthermore, as the excavation trenches are deep and there is not enough right of way (ROW), so stable side slope at trenches has not been provided along the site route of Marala Road, due to which landslides are prevalent, leading to the slow progress of work.

39. The progress status and S-Curve for Lot 2 Sialkot are given below. For more details of planned v/s achieved progress and pictures of ongoing works, please refer to Table 29 and Appendix 12 respectively.

Table 20 Progress Status PICIIP – 11 Sialkot WATSAN Lot 2 Pre-Cast RCC Conduits and Allied Works (Zone 3-B)

Sr. No.	Project Components	Quantity (ft.)	Actual Progress	
			Production	Laying
1	Conduit 8 ft x 6 ft	3,245	1,406 Nos. Conduit Production is Complete. 1,216 Nos. Conduit Laying is Complete.	60%
2	Conduit 14 ft x 8.25ft (2 cells 7 ft X 8.25 ft)	1,762	843 Nos. Conduit Production is Complete. 64 Nos. Conduit Laying is Complete.	28%
3	Sewer Pipe 66" dia. (2 cells)	95	82 Nos. Pipe Production is Complete. 32 Nos. Pipe Laying is Complete.	56%
4	Sewer Pipe 72" dia.	25	25 Nos. Pipe Production is Complete. 0 No. Pipe Laying is Complete.	50%



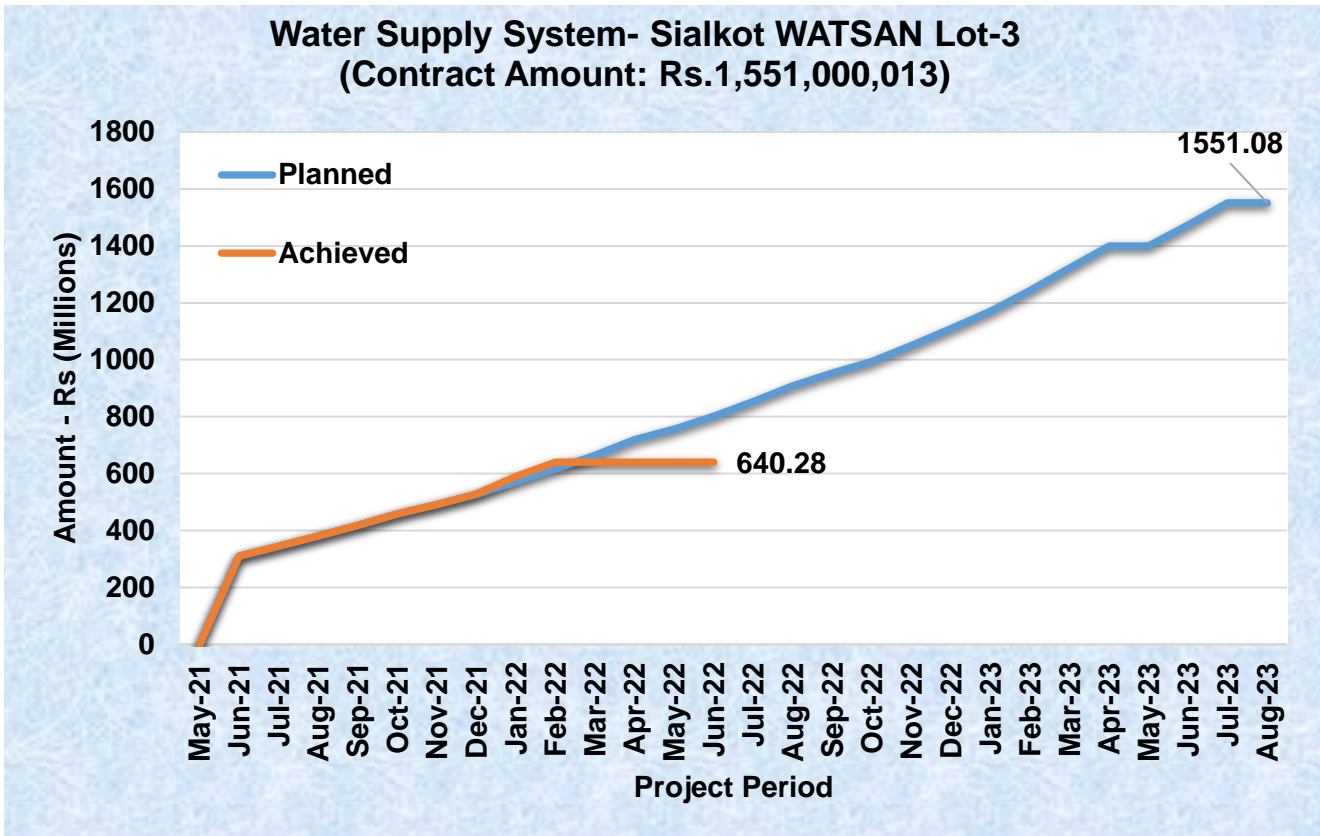
4.1.2.8 Sialkot WATSAN Lot-3 Influent Pumping Station, Force Main & Allied Works Zone 3-C

40. Contract was awarded to M/s ZKB-RELIABLE JV on 15 June 2021 for PKR 1,551,000,013. The works commenced on 25 August 2021 with the completion date of 24 August 2023. Physical progress achieved is 9.1% versus 42% planned (lag of 32.9%) and financial progress is 26.78% inclusive of mobilization advance. The contractor is unable to procure further pipes for 1200mm diameter force main due to non-payment of dues. PICIIP has been taking all necessary steps to resolve the issues of non-payment of dues of the contractor. Another issue is the illegal encroachment at the influent pumping station site. This issue has been raised with the district administration, upon which the operation on encroachment was carried out in collaboration of district administration, successfully. The issue has been resolved. Now, civil works of influent pumping station has also been started. Moreover, commencement of works on LAR and endorsement of external (Social Safeguards) Monitoring Expert (EME). For detailed land acquisition and LARP status, see paras 82 to 90 and Appendix 7.

41. For more details of planned v/s achieved progress and pictures of ongoing works, please refer to Table 29 and Appendix 12 respectively. The progress status and S-Curve for Lot 3 are given below.

Table 21 Progress Status of PICIIP – 11 Sialkot WATSAN Lot 3 Influent Pumping Station, Force main and Allied Works Zone 3-C

Sr. No.	Disposal System	Unit	Quantity	Actual Progress	
1	Proposed Influent Pumping Station (140 cusecs)	No	1		
	Wet Well (50 ft diameter & depth 26 ft)	No.	2		
	Dry Well (50 ft diameter)	No.	2		
	Screening Chamber (18 ft diameter)	No.	2		
	Collection Chamber (30 ft diameter 19.1 ft depth)	No.	1		
	Dewatering Tube well (47.25 cusecs)	No.	63		
2	Proposed Influent Force Main (1200 mm HDPE)	RFT	29,100	4,922	17%
3	Proposed Boundary Wall Influent Pumping Station	RFT	1300		
4	Proposed Office Building, Influent Pumping Station	Sft	1294		
5	Proposed Staff Building, Influent Pumping Station.	Sft	728		



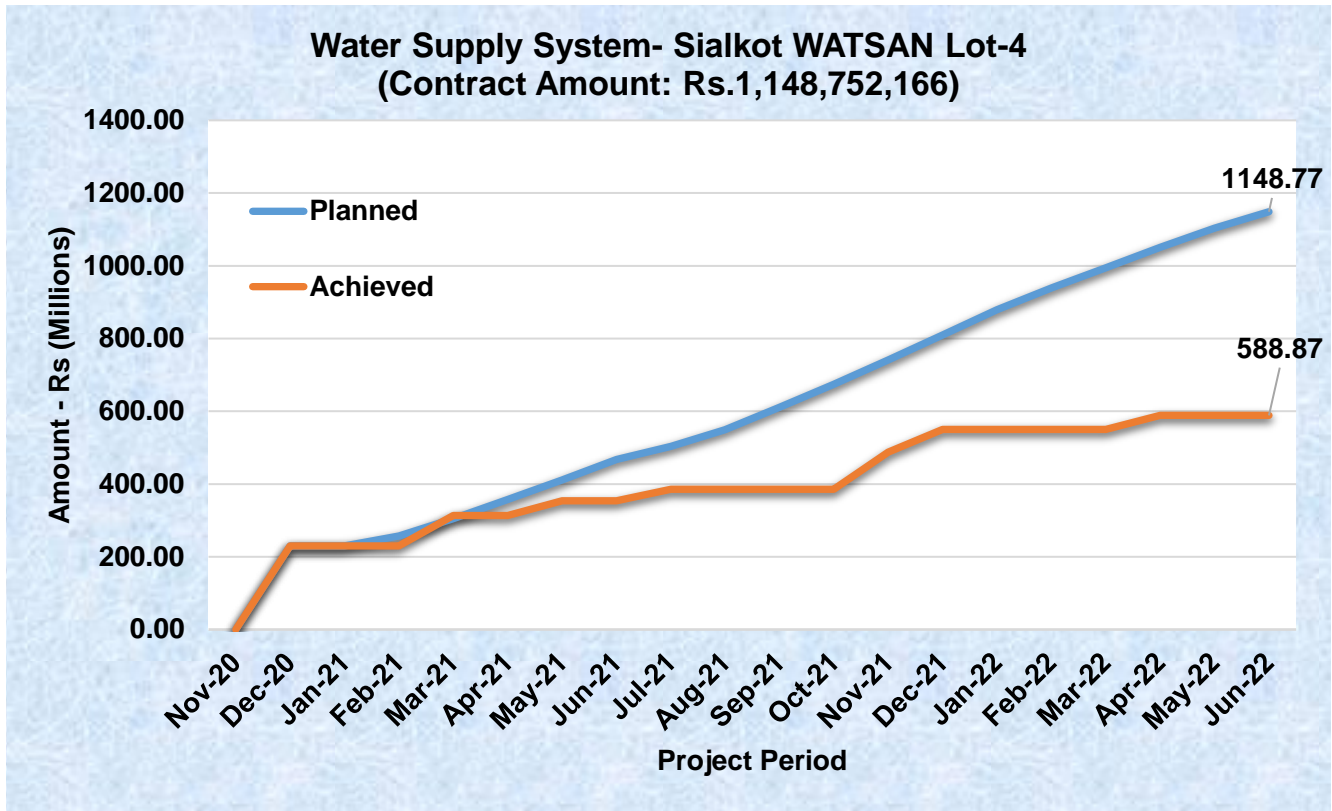
4.1.2.9 Sialkot WATSAN Lot-4 Water Supply System Zone 3-D

42. Contract Package PICIIP-01 was awarded to M/s ZKB-RELIABLE JV on 25 November 2020 for PKR 1,148,752,166. The Civil works commenced on 17 December 2020. Physical progress achieved is 45.3% versus 98.63% planned (lag of 53.33%). Financial progress is 45.02% inclusive of mobilization advance. It has been found at the execution stage that proposed locations of 7 Tube wells were not feasible to install. Now, City Implementation Unit (CIU), PICIIP has located alternate tube well sites. The issue has been resolved and tube well installation works on these sites are in progress. Furthermore, Progress of Hydraulic Pressure Testing of HDPE pipes of water supply lines are very slow. Total pipes of 281,383 Rft has been laid while hydraulic pressure testing is only 138,611 Rft. This issue has been raised with the EPCM Consultant NESPAK, upon which, the contractor has been directed to expedite the Hydraulic Pressure Testing of HDPE pipes. Moreover, the restoration of P.C.C streets after laying HDPE water supply pipes of all Union councils are also slow. EPCM Consultant and Contractor has been directed to expedite the work of restoration of P.C.C streets.

43. For more details of planned v/s achieved progress and pictures of ongoing works, please refer to Table 29 and Appendix 12 respectively. The progress status and S-Curve for Lot 4 are given below.

**Table 22 Progress Status of PICIIP – 11 Sialkot WATSAN Lot 4 Water Supply System
(Zone 3-D)**

Sr. No.	Project Components	Quantity		Actual Progress	
1	Pump out Test & Installation of Tube well	0		0	
2	Installation of Tube well	14		Boring and pipe lowering of 09 Tube Wells completed. Development and testing (DNT) of 07 Tube Wells completed. Turbine and motor delivered to site.	65%
3	Tube well Pump House	14		Structure work of 09 pump houses is in progress.	70%
4	Water Distribution Network (HDPE Pipe) 3" to 10"	3"	202.3 Km	68.13 Km Pipe laid	33%
		4"	1.0 Km	0.70 Km Pipe laid	70%
		6"	22.6 Km	8.90 Km Pipe laid	39%
		8"	30.3 Km	11.80 Km Pipe laid	38%
		10"	3.8 Km	1.1 Km Pipe Laid	29%
5	Over Head Tank 100,000- & 150,000- Gallons Capacity	100,000	4	Shaft of all OHRs is completed. Structural work of OHR T-19 is completed. Bowl concrete of T-10 is in progress. Formwork of 01 OHR i.e., T-40 is in progress.	65%
		150,000	1	Shaft of OHWT T-18 is completed.	85%
6	Staff Building at OHT	5		Work of 01 Staff building at OHR T-18 is completed	20%
7	Store Building at OHT	5		Work of 01 store building at OHR T-18 is in progress.	20%
8	Boundary wall of OHT area	5		Boundary wall at T-18 (Prem Nagar) is completed	20%
9	Water Filtration Plant	7		0	
10	Rehabilitation of Tube well and Pump House	27		Boring and pipe lowering of 3 replacement Tube Wells is completed. Rehabilitation of pump and motor of 04 tube wells is completed.	12%
11	Rehabilitation of Filtration Plants	8		0	
13	Environmental Management Plan (EMP) Implementation	Job		On-going activity	50%



4.1.2.10 Construction of Waste Water Treatment Plant in Sialkot North Zone

44. Contract Package PICIIP-12 was awarded to M/s SWEG on 11 November 2021 for PKR 1,830,017,429 while commencement of civil work issued on 30 April 2022 with the completion date of 29 April 2024. Contractor has mobilized his staff on site and clearing of site completed. Working of layout is in progress. For more details on planned v/s achieved progress please refer to Table 29.

4.1.2.11 SWM, Water and Sanitation Equipment

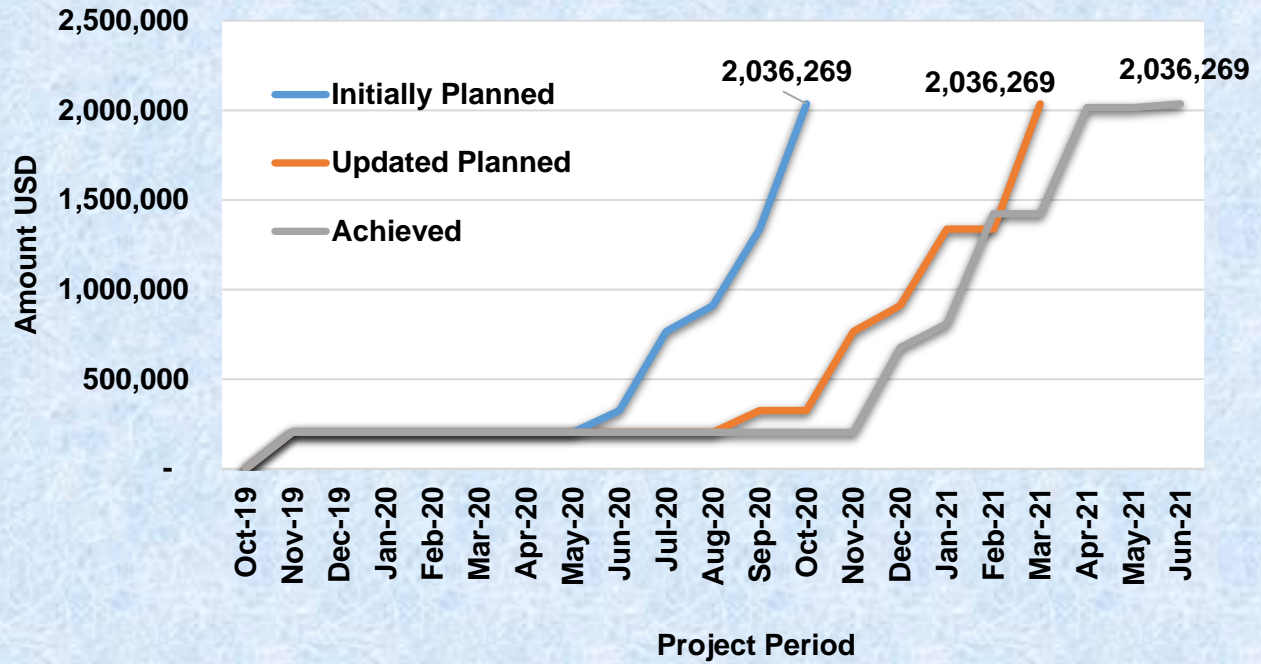
45. 3 Lots for supply and installation of SWM, water and sanitation equipment package (PICIIP-02-SWM, Water and Sanitation Equipment) were awarded to M/s Kissan Engineering – M/s Meraj Ltd. – M/s Hino Pak Motors Ltd. (JV) on 31 October 2019 with completion date of 30 October 2020. Supplies of all 3 Lots have been completed. Delay damages are under process in addition to the anticorruption proceeding on submission of tempered document to the employer for Lot-3 as per advice of ADB.

46. Progress Status of SWM & WSS Equipment / Machinery along with S curves of planned vs. actual financial progress of PICIIP-02 package are presented below. For more details on planned v/s achieved progress please refer to Table 29.

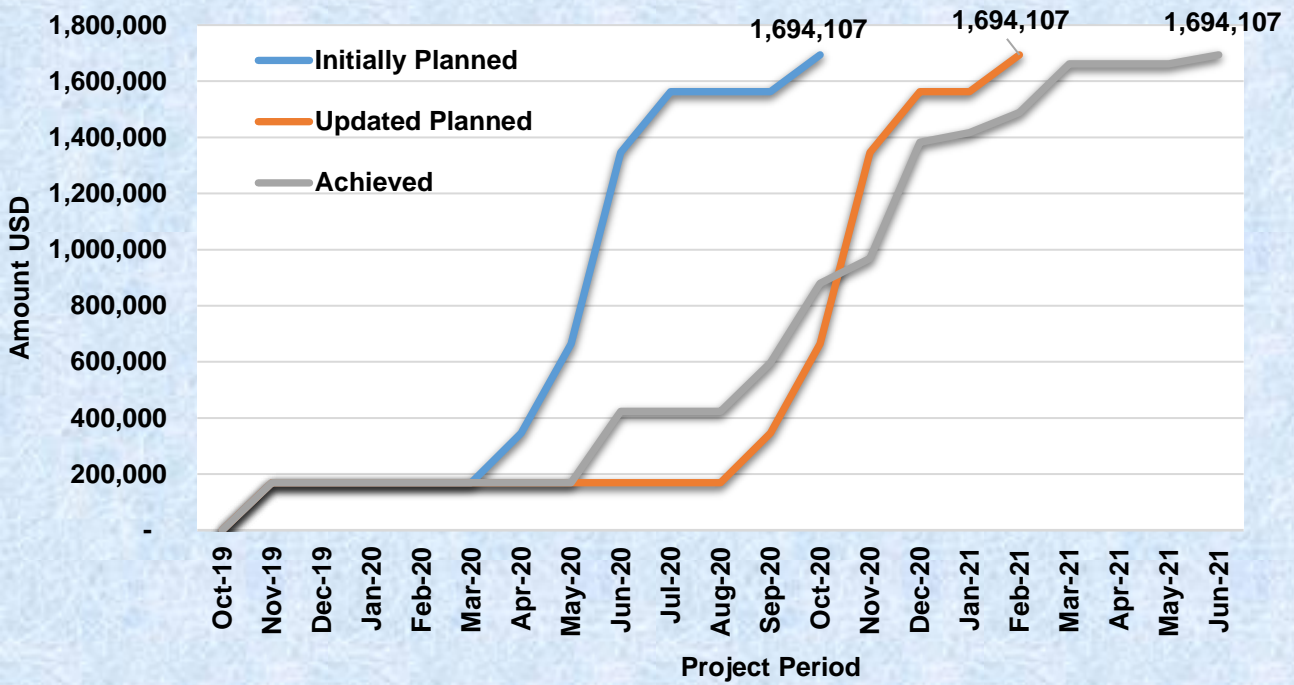
Table 23 Progress Status of SWM & WSS Equipment / Machinery

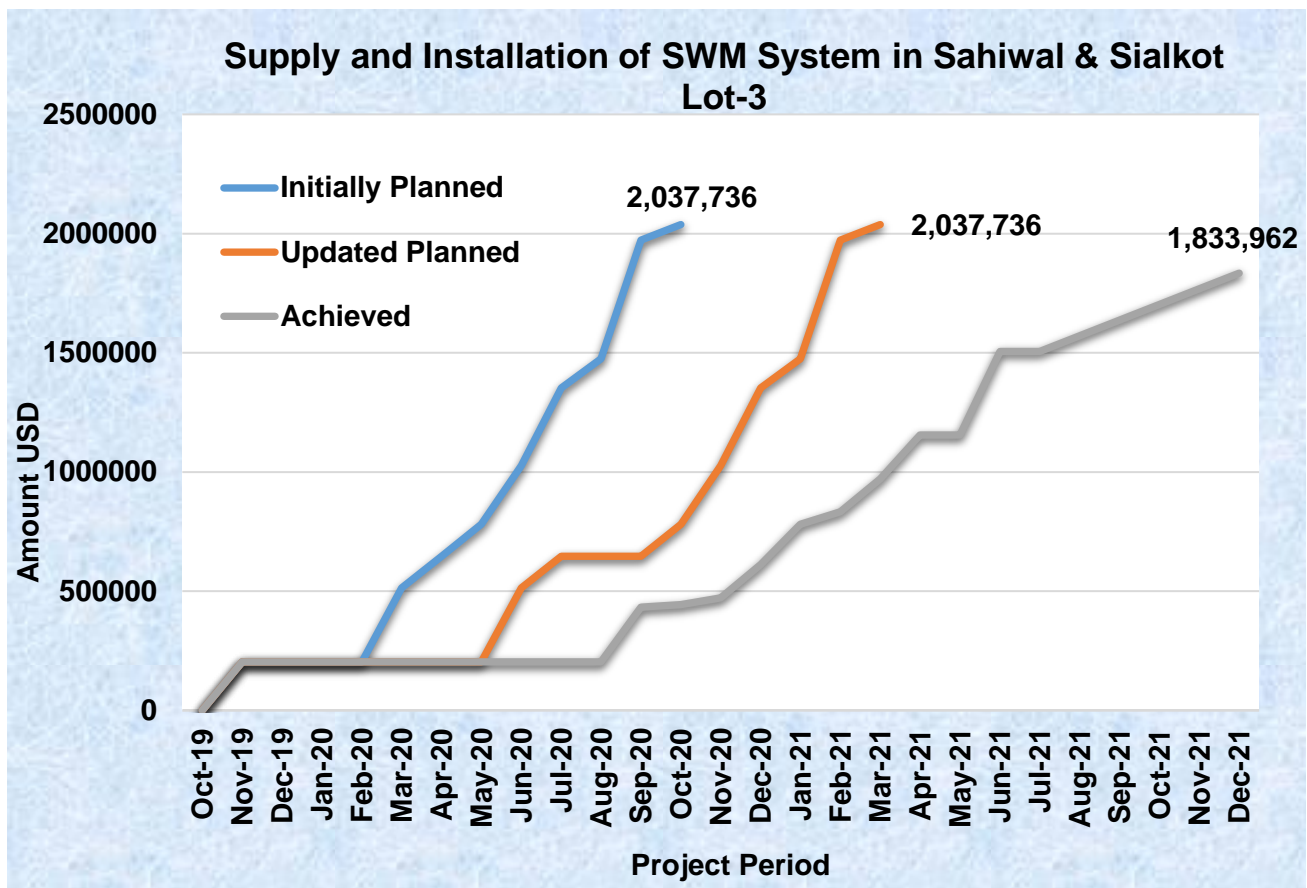
Sr. #	Item	Quantity			Delivered		
		Sahiwal	Sialkot	Total	Delivered as on 30 Nov 2022 Sahiwal	Delivered as on 30 Nov 2022 Sialkot	Total Delivered as on 30 Nov 2022
1	Garbage Container (0.8 CM)	600	600	1200	600	600	1200
2	Truck Mounted Garbage Compactor (13 CM)	0	6	6	0	6	6
3	Truck Mounted Garbage Compactor (11 CM)	2	0	2	2	0	2
4	Garbage Compactor (8 CM)	4	12	16	4	12	16
5	Dump Truck (10 CM)	2	5	7	2	5	7
Total (Lot-1)		608	623	1231	608	623	1231
1	Hand Cart/ Waste Tipping Trolley	300	300	600	300	300	600
2	Chain Arm Roll Truck 5 CM with 5 CM Container	7	0	7	7	0	7
3	Chain Arm Roll Truck 5 CM	0	18	18	0	18	18
4	Arm Roll Container	0	84	84	0	84	84
5	Mini Tipper 1CM	12	24	36	12	24	36
6	Truck Mounted Hydraulic Elevated Platform	1	2	3	1	2	3
Total (Lot-2)		320	428	748	320	428	748
1	Truck Mounted Vacuum Sweeper	1	3	4	1	3	4
2	Combined Suction/Jetting/Flushing Unit	1	1	2	1	1	2
3	Truck Mounted Sewer Suction Unit (4500L)	1	0	1	1	0	1
4	Truck Mounted Jetting unit (4500L)	1	1	2	1	1	2
5	Road / Street Washer (4500 L)	2	3	5	2	3	5
6	Manhole De-Silting Machine	1	2	3	1	2	3
7	Water Truck with Spray System	1	1	2	1	1	2
8	Mobile Container washer	2	3	5	2	3	5
9	Mobile Workshop	1	2	3	1	2	3
10	Winch Machine	1	2	3	1	2	3
11	Mobile Pump Dewatering System	0	15	15	0	15	15
12	Wheel Excavator	1	1	2	1	1	2
13	Mobile Crane 10 Tons Capacity	1	1	2	1	1	2
Total (Lot-3)		14	35	49	14	35	49
Total Machinery		942	1086	2028	942	1086	2028

Supply and Installation of SWM System in Sahiwal & Sialkot (Lot-1)



Supply and Installation of SWM System in Sahiwal & Sialkot (Lot-2)





4.2 Implementation Challenges

47. The project is related to improvement of urban infrastructure and it is one of the most challenging sectors in terms of social safeguards. Issuance of NOCs from relevant departments are in process under Roads Upgradation Project of PICIIP. However, Metropolitan Corporation, Sahiwal has issued NOC for Roads Upgradation while NOC for laying of sewer line at Khawaja Safdar Road Sialkot and NOC from NHA for laying of sewer line at Sahiwal by-pass are yet to be issued. Site handover issues are also being faced while working in urban area for new tube well installations, construction of overhead reservoirs, filtration plants, laying of water and sewer lines etc. These issues are being resolved by taking public into confidence and by the help of district administrations. In some cases, people have filed suits in honorable courts which are being perused. There are no active status quo orders by the court. To minimize the community disturbance, traffic management plans were developed and their implementation was made part of the bill of quantities for both PICIIP-03 and PICIIP-11 packages. Implementation of the same is strictly being ensured

48. Revalidation of funds and signatory issues have affected badly the payments of NOCs. Most of the NOCs were expired and required to be revalidated which has affected the progress of works.

49. No bid received for 3rd round of procurement of PICIIP-27 Parking sheds for Sahiwal and Sialkot. PC-I being revised both in terms of design and MRS rates as it seems to be the reason of non-interest of potential bidders.

4.3 Output 3: Urban Public Spaces Improved

4.3.1 Preparatory Work

50. PICIIP is undertaking rehabilitation of three public parks in Sahiwal and four public parks in Sialkot; which were selected in close collaboration with the Parks and Horticulture Authorities of both Cities. Preparatory work for parks was completed in 2019 before award of the contracts. Please refer to Table A2.1.1: Preparedness of the Subprojects under implementation.

51. Upon request of Sahiwal city stakeholders, PC-I for PICIIP-04A, Upgradation/Rehabilitation of existing roads, streets and pavements in Sahiwal has been prepared by the EPCM consultant and the package was advertised on 19 February 2021. Bids have been received on 24 March 2021 and after technical evaluation this project was awarded on 26 November 2021 and commencement of work on 27 November 2021.

4.3.2 Implementation Status

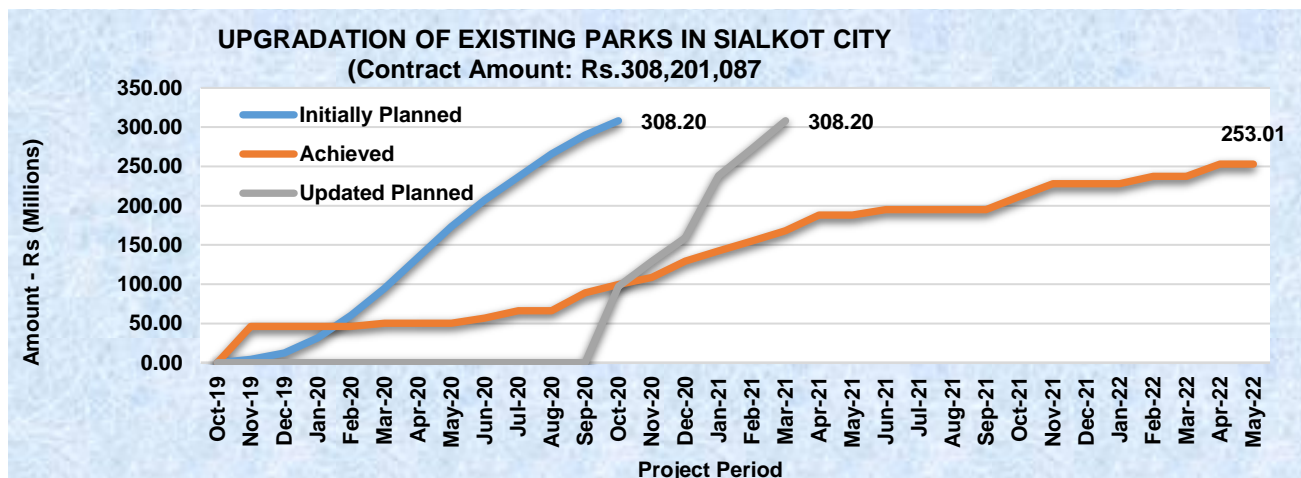
4.3.2.1 Lot-1 Upgradation of 3 Parks in Sahiwal

52. Contract Package PICIIP-01 was awarded to M/s HCS-MASTIC JV on 10 October 2019 for PKR 154,090,599. The civil works commenced on 25 October 2019 with the contract completion date of 24 October 2020. All three Parks have been handed over to PHA- Sahiwal on 30 September 2021. Financial progress is 93.49% inclusive of mobilization advance.

4.3.2.2 Lot-2 Upgradation of 4 Parks in Sialkot

53. Contract Package PICIIP-01 was awarded to M/s HCS-MASTIC JV on 10 October 2019 for PKR 308,201,087. The civil works commenced on 25 October 2019 with the contract completion date of 24 October 2020. Three parks out of four were handed over to PHA-Sialkot in June 2021. Whereas the completion of Gulshan-e-Iqbal Park is significantly delayed, with 93.8% physical progress (a lag of 6.2%) and financial progress is 72.78%. The completion date as per the EOT for this lot was 22 March 2021 which has been expired, however completion is expected in November 2022. Progress of contractor on Gulshan-e-Iqbal Park was slow due to deployment of less resources by the Contractor. Cash flow issues of the contractor were worsened by the unprecedented price hike of material, labor and fuel. Warning letters have been issued to the contractor for action under clause GCC 56.1 read with PCC which relates to liquidated damages.

54. 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 are presented below:



4.3.2.3 Upgradation / Rehabilitation of Existing Roads in Sahiwal

55. Contract package PICIIP-04A was awarded to M/s Zahir Khan & Brothers on 26 November 2021 for PKR 242,723,175 with date of commencement as on 23 December 2021 with a completion date of 23 March 2022. Physical progress achieved is 19.2% versus 100% planned (lag of 80.8%). Financial progress is 22.18%. EOT required for this project as work could not be completed in original contractual timeline, so EOT-1 granted to contractor with a completion date of 10 June 2022. Progress of the contractor was slow due to PTCL & GEPCO's reluctance to shift their installations, overflowing sewer manhole, issues around SNGPL demand notice, less deployment of resources, unprecedented monsoon rain, cash flow issues and suspension notice from the contractor due to unprecedented price hike. The project is expected to be completed in March 2023. Please refer to table 24 for physical progress of Sahiwal roads:

Table 24 Physical Progress on Sahiwal Roads

Sr.#	Sahiwal Roads	Status
1	Fateh Sher Road from High Street Road to Old Civil Line Road (Dual Carriageway) (1.14 Km)	38% completed
2	Main Market Road from Garvi Wala Pull to Fateh Sher Road (0.71 Km)	Not Started Yet
3	Mall Mandi Chowk to Main Market Road (0.65 Km)	29% Completed

4.3.3 Implementation Challenges

56. There have been multiple challenges which now mainly include less deployment of resources by the Contractor. Contractor have been instructed by the Consultant to enhance the resources to overcome delay/slow progress. However, despite continuous issuance of instructions to the Contractors, ample resources were not deployed from their side which has resulted in slow progress and non-completion of the projects within the specified time.

4.4 Output 4: Institutional Support and Capacity Developed

4.4.1 Preparatory Work

57. Construction of Punjab Local Government Academy is a flagship project for PICIIP. DED and all due diligence requirements have been met for Construction of PLGA Lahore Project. Please refer to Table A2.1.1: Preparedness of the Subprojects under implementation.

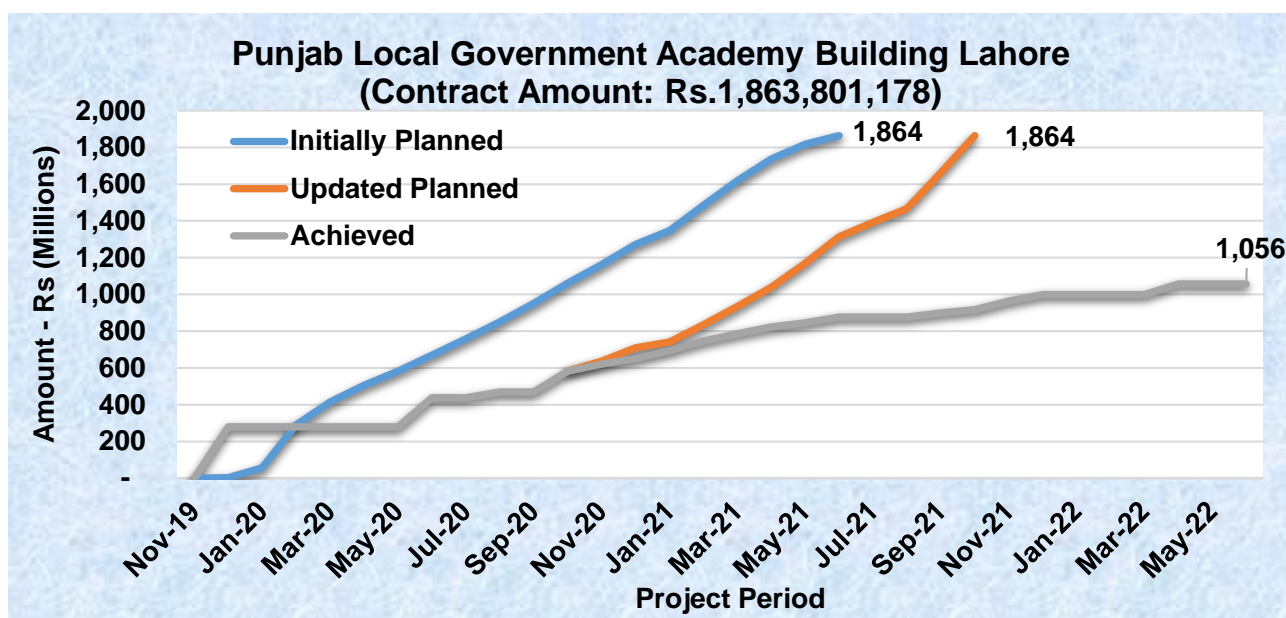
58. Capacity building for Local Government & Community Development department firm was recruited under LG&CDD Consultancy package (PICIIP_Cons_05A) in August 2021. The consultant is working on Academic and Training design for both Lahore and Lala Musa PLGA. The PC-I for upgradation of Punjab Local Government Academy Lala Musa has been prepared by the Capacity Building and UMDS consultants and under this project some IT equipment has also been proposed to be procured. The PC-I was further scrutinized by the Technical Scrutiny Committee” constituted by worthy secretary, LG&CD Department, in a meeting held on 28 June 2022 under the chairmanship of Chief Engineer (HQ) (North), Punjab Local Board Lahore. Wherein, it was directed by the committee that specification of IT Equipment should be vetted through PITB.

4.4.1.1 Construction of Punjab Local Government Academy at Lahore

59. Contract Package PICIIP-14 was awarded to M/s Habib Construction Services Ltd. on 27 November 2019 for PKR 1,863,801,178. The civil works commenced on 18 December 2019 with original contract completion date of 10 June 2021. The project scope includes construction of a six-storey building including two basements, with total covered area 232,000 sft comprising academic block, administration block, residential block, and commercial block for rent. As the work was not completed within the completion time due to multiple factors, EOT-I for PICIIP-14 PLGA, Lahore was approved by ADB extending the contract completion date till 21 January 2022. Work under this project is still pending despite the EOT date has passed. EOT-II is under process in the current quarter. The physical progress achieved is 76.18% versus 100% planned (a lag of 23.82%). Financial progress is 52.04% inclusive of mobilization advance. Structural works have been completed for the building and brick masonry, plastering and MEP works are in progress. Further, please refer to Table 28 for physical progress and Appendix 12 for pictures of on-going work at site. S-curve of planned versus actual financial progress of PICIIP-14 package is presented below:

Table 25 Physical Progress on PLGA Lahore

Status of Works in Progress / Remaining						
	GF	1st	2nd	3rd	4th	5 th
Architectural Works						
Porcelain Tiles (24" x 24")	Completed	In Progress	In Progress	In Progress	Remaining	Remaining
Cladding	In Progress	In Progress	In Progress	Remaining	Remaining	Remaining
Paint work	In Progress	In Progress	In Progress	Remaining	Remaining	Remaining
Ceiling Framework	In Progress	In Progress	Remaining	Remaining	Remaining	Remaining
Windows & Doors	Remaining	Remaining	Remaining	Remaining	Remaining	Remaining
Curtain Wall and Aluminum Jali			Remaining			
Electrical & Scada Works						
Lighting System & Power System wiring	In Progress	In Progress	In Progress	In Progress	In Progress	Remaining
Communication system wiring	In Progress	In Progress	In Progress	In Progress	In Progress	In Progress
Cable Tray	In Progress	In Progress	In Progress	In Progress	In Progress	In Progress
All Electrical & Scada Equipment's Installation			Remaining			
HVAC Works						
Duct fabrication	Completed	Completed	In Progress	Remaining	Remaining	Remaining
Insulation	Completed	Completed	In Progress	Remaining	Remaining	Remaining
Pipe Installation (HVAC)	In Progress	In Progress	In Progress	In Progress	In Progress	In Progress
Pipe Installation (Firefighting)	Completed	Completed	Completed	Completed	In Progress	In Progress
All HVAC Equipment's Installation			Remaining			



4.4.2 Implementation Challenges

60. Negligible pace of progress at Site because of an insufficient labor. Only few activities are in progress resulting a continuous lag in progress of Project. Contractor should deploy more physical resources needed to cover up with the delays. LCs have not been opened on scheduled time for various goods by the Contractor. To accelerate the project pace the works continued on Day and Night basis (despite of insufficient Supervision Staff). Letters have been written to the Contractor to pace up the work otherwise contractual actions may be taken.

4.5 Reporting on Monitoring and Results Framework

61. 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.

5 Performance of Contractors and Suppliers

62. The performance of contractors for awarded packages is on a slower pace mainly due to factors already described lot-wise in the above paragraphs but it is expected to be paced up in coming months. Short summary is presented in the table below;

Table 26 Progress of Work – Awarded Contract (Works and Goods)

Sr. No	Contract	Contractor / Supplier	Contract Cost	Date of Agreement	Actual completion Date	Completion date as per EOT	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 Oct 2020	31 Dec 2020	31 Sep 2021	100	100	100	93.49	-
2	Lot 2: Up gradation of 04 existing Parks in Sialkot	M/s HCS- Mastic (JV)	PKR 308,201,087	10 Oct 2019	24 Oct 2020	22 Mar 2021	31 Dec 2022	100	93.8	100	72.78	Warning letters have been issued to the contractors for strict action under clause GCC 56.1 read with PCC which relates to liquidated damages.
3	Construction of Punjab Local Govt. Academy Building Lahore	M/s Habib Construction Services Ltd.	PKR 1,863,801,178	27 Nov 2019	10 Jun 2021	21 Jan 2022	30 Jun 2023	100	76.18	100	52.04	
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 Oct 2020	31 Mar 2021	31 Mar 2021			100	100.00	-

Sr. No	Contract	Contractor / Supplier	Contract Cost	Date of Agreement	Actual completion Date	Completion date as per EOT	Expected Completion Date	Expected Physical Progress (%age)	Achieved Physical Progress (%age)	Expected Financial Progress	Achieved Financial Progress (%age)	Mitigation Measures
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 Oct 2020	31 Mar 2021	31 Mar 2021			100	100.00	
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 Oct 2020	31 Mar 2021	30 Nov 2021			100	90.00	
7	Upgradation/ Rehabilitation of Existing Roads, Streets and Pavement in Sahiwal (NCB-Works/PICIP-04A)	M/s ZKB	Rs. 242,723,175	26 Nov 2021	23 March 2022	10 Jun 2022	30 Mar 2023	100	19.2	100	22.18	Notices of slow progress have also been issued under the provisions of the contract for timely completion of the project. Utility shifting issues are also there.
8	Water Supply System, Filtration Plants, Tubewells, OHRs, SCADA and Allied Works (NCB-Works/PICIP-03) Lot-1 Sahiwal	M/s TMT-MAC JV	Rs. 2,058,818,352	17 Nov 2020	17 Dec 2022	-	30 Jun 2023	77.75	43.08	79.63	44.90	Contractor has been advised to increase resources and effort for timely completion of project through letters and meetings.
9	North Zone A (Sanitation) Trunk Main Sewer Lines and Allied Works (NCB-Works/ PICIP-03) Lot-2 Sahiwal	M/s CGICOP	Rs. 2,128,310,936	13 Oct 2020	24 May 2022	1 March 2023	30 June 2023	100	43.32	100	46.24	
10	North Zone B (Sanitation) Trunk Main Sewer Conduits, Influent Pumping Station and Allied Works (NCB-Works/ PICIP-03) Lot-3 Sahiwal	M/s CGICOP	Rs. 1,872,877,187	04 Mar 2021	27 Jan 2023	-	31 Dec 2023	33.02	0.96	58.41	20.88	Early implementation of LARP is required to commence the work on LAR-affected sites under this contract.
11	South Zone (Sanitation) Trunk Main Influent Pumping Station and Allied Works (NCB-Works/ PICIP-03) Lot-4 Sahiwal	M/S ZKB-Reliable JV	Rs. 1,952,248,219	01 Apr 2021	23 Feb 2023	-	31 Nov 2023	33.21	9.95	48.98	26.80	
12	Construction of Wastewater Treatment Plant North Zone Sahiwal (ICB-Works/ PICIP-08A)	M/s MAC-SARCO JV	Rs. 996,892,716	16 Nov 2021	17 June 2024	-	17 June 2024				-	The contractor is not agreed to commence work.
13	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/PICIP-11)	M/s ZKB-Reliable JV	Rs. 1,914,199,996	25 Nov 2020	17 Dec 2022	-	31 Dec 2023	86.10	23.04	72.71	36.41	Contractor has been advised to increase resources and effort for timely completion of project through letters and meetings
14	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/ PICIP-11)	M/s ZKB-Reliable JV	Rs. 1,824,989,269	25 Nov 2020	17 Dec 2022	-	31 Dec 2023	74.14	32.86	68.46	42.70	Contractor has been advised to increase resources and effort for timely completion of project through letters and meetings
15	Works for Rehabilitation Improvement of Water Supply & Sewerage System in North Zone, Sialkot Lot - 3: Pre-Cast RCC Conduits and Allied Works (Zone 3-C) (NCB-Works/ PICIP-11)	M/s ZKB-Reliable JV	Rs. 1,551,000,013.8	15 June 2021	24 Aug 2023	-	30 April 2024	42	9.10	69.28	26.78	Early implementation of LARP is required to commence the work on LAR-affected sites under this contract.
16	Works for Rehabilitation Improvement of Water Supply & Sewerage System in North Zone, Sialkot Lot - 4: Water Supply System (Zone 3-D) (NCB-Works/ PICIP-11)	M/s ZKB-Reliable JV	Rs. 1,148,752,166	25 Nov 2020	16 June 2022	2 Dec 2022	31 Aug 2023	98.63	45.3	96.08	45.02	Contractor has been advised to increase resources and effort for timely completion of project through letters and meetings
17	Construction of Wastewater Treatment Plant North Zone Sialkot (ICB-Works/ PICIP-12)	M/s SWEG	Rs. 1,830,017,429 million	11 Nov 2021	11 Nov 2023	-	31 May 2024	-	-	15.00	15.00	Layout in Progress

6 Performance of Consultants

6.1 Engineering, Procurement and Construction Management Consultant

63. The “Engineering, Procurement and Construction Management (EPCM)” Consultant has been on board since 18 April 2018. The EPCM consultant is supervising the ongoing works for the sub projects under Output 1, 2 and a portion of Output 3 under PICIIP. 6 Variation Orders were signed in previous year for different amendments in contract. 2nd revised PC-II of EPCM consultancy having a cost of 1316.26 million PKR has been approved by PDWP. The said PC-II approved in meeting held on 15 June 2022 and MOM of the said meeting issued on 27 June 2022. Administrative Approval also approved on 29 June 2022. VO-7 was signed on 29 June 2022 with cost implication and extension of time till 30 June 2024.

6.2 Operational Design and Business Model Consultant

64. The Operational Design and Business Model (ODBM) consultant has been on board since 21 June 2021. ODBM tasks are divided into five output stages in order to get improved Water Supply Systems, Sanitation Systems and Urban Public Spaces along with Institutional Support and Capacity Development. ODBM consultant had submitted Third draft of Inception Report along with Action Plan (operations and maintenance plan for Solid Waste Management Equipment) on 25 January 2022 in CIU Sahiwal for its comments which were submitted on 1st February 2022. MC Sahiwal submitted its comments on 25 April 2022. ODBM consultant had submitted draft Situational Analysis Report (SAR) to PMU on 1 April 2022 and PMU submitted the draft to CIU Sahiwal, PHA, PHED, and DC Sahiwal on 8 April 2022. Comments on SAR from CIU Sahiwal had been submitted to PMU on 15 April 2022 but from other parties’ response is still awaited. On 10 May 2022, DC Sahiwal presided over a presentation on the SAR draft that had been presented. In addition, on 8 June 2022, a meeting with PMU was conducted to examine the content and methodology for Output B, “Comparative Assessment of Potential Options”. One day workshop will be scheduled in next Quarter of 2022 with stakeholders to compare and analyze the potential business models for delivering municipal services in Sialkot and Sahiwal.

6.3 Urban Mobility and Design Supervision Consultant

65. The “Urban Mobility and Design Supervision (UMDS)” consultant has been on board since 31 May 2021. The UMDS consultant is responsible for preparation of land use plans, urban transport and SWM plans, upgradation of existing roads, footpaths, signalling, green belts, open spaces, safe waste disposal, bus terminals and parks etc. in Sahiwal and Sialkot city. UMDS work consists of three outputs (Output A: Strategic plan for future development of Sahiwal & Sialkot cities [A1: Land Use focused City Comprehensive Plans, A2: Urban Mobility Plans & A3: Solid Waste Management Plans], Output B: Detail Engineering Design of Priority Projects and Output C: Supervision and construction of approved priority projects). 1st draft and 2nd draft of Situation Analysis Report (SAR) was submitted in previous quarters. 1st draft of Site Development Zone Report (SDZR) was submitted on 4 February 2022 to EA. SDZR submitted to CIU on 8 February 2022 for review/comments on which comments from CIU were submitted on 12 February 2022. On 16 April 2022, UMDS presented to PMU the final Situational Analysis report for Output A-1 and Diagnostic reports. On 13 April 2022, PMU approved and issued a notice to proceed for Output B (Detail Design), of the Priority Projects for Sahiwal. On 25 April 2022, UMDS conducted a kickoff meeting for its priority projects under the chairmanship of DC Sahiwal. In May and June 2022, UMDS submitted concept drawings for Sahiwal and Sialkot's prioritized projects that had been accepted. On 16 June 2022, UMDS delivered the Sahiwal and Sialkot Development of Integrated Urban Land Use and Transport Strategy Report to PMU. On 21 June 2022, a draft Detailed Engineering Design/PC-1 was delivered to PMU. A consultative session with stakeholders and CIU Sahiwal and Sialkot was held on 24 June 2022, in PMU. On 23 and 28 June 2022, UMDS hosted consultation sessions with stakeholders for the Land Use Zoning Plan in Sahiwal and Sialkot MC.

6.4 Capacity Building of Local Government & Community Development Department Consultant

The Capacity Building (CB) consultant has been on board since 16 August 2021. The Deliverable Verification Committee of PMU during their meeting on 25 April 2022 approved both the submitted outputs of Inception Report (IR) and Situation Analysis Report (SAR). The observations and comments made during the meeting were incorporated and the final version of SAR was submitted on 19 May 2022. The work on design phase outputs continued in parallel and the first draft of Training Needs Assessment Report was submitted on 8 June 2022. The working paper on JDs & KPIs was submitted and got approval from PMU on 16 May 2022. The consultants are currently working on business plan of PLGA Lahore and Lala Musa as well as academic and training design.

6.5 Audit & Finance Consultant

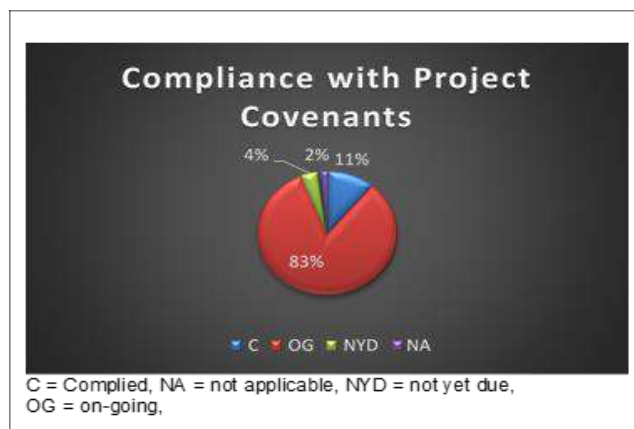
66. The Audit and Finance (A&F) consultant has been on board since 16 August 2021. Inception report, 1st Quarterly Internal Audit Report from September 2021 to December 2021 and Risk Assessment & GAP Analysis Report have been completed by A&F consultant in previous quarters. 1st draft of Internal Control Documentation report submitted to EA on 23 February 2022 and comments on the said report was submitted by EA on 5 April 2022. Issuance of final draft of internal control documentation report was on 19 April 2022.

6.6 Individual Consultant

67. There is no new hiring for individual consultants in this quarter. The consultants have been supporting PMU in various technical aspects for reviewing consulting firms' deliverables. For details, please refer **Appendix 2.7** Status of Recruitment of Consultants (Individual Consultants).

7 Compliance with Covenants

68. 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 goods; 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**.



8 Financial Management and Financial Sustainability Action Plans

69. 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. An A&F Consultant (firm) is in place for inspecting the project accounts, records, and other documents relating to the procurement and the performance of the contracts.

70. Financial sustainability action plan included the following actions which are related to the ODBM Consultancy.

- 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

71. The consultants have conducted willingness to pay survey and currently working on comparative analysis of business models for urban services. A detailed compliance status of the actions agreed in financial management and financial sustainability action plans is provided at **Appendix 8**.

9 Safeguards

9.1 Social Safeguards

9.1.1 Implementation Status of Land Acquisition & Resettlement Plans (LARPs)

72. Payments of the BOR assessed compensation have been started in June 2021. So far, 71.67% of the overall BOR compensation has been disbursed for all LAR impacted packages. Out of a total 1253 DPs under the PICIIP, 898 DPs have received the BOR compensation. Disbursement process for the approved differential compensation amount (assessed by the IVS) and resettlement assistance has also been disbursed 71.67% by respective LACs accounts. Details of status of compensation payments are provided. In LARP 1, all 8 DPs received BOR and differential amount of land and non-land assets, in LARP 2, 37 DPs received BOR compensation out of 41 DPs, whereas the LARP 3 DPs went to court under section 18 of LAA 1894 for enhancement of compensation. Law & Compliance Officer of PMU is in pursuing the cases. In LARP 4, 92 DPs received BOR Compensation, while 756 DPs of LARP 5 received compensation out of total 1020 DPs. Details of compensation is mentioned in below Table 30.

Table 27 LARP Implementation Status

LARP No.	Subproject	Land in Acre	No. of DPs	Status of Compensation Of BOR	Status of Differential compensation	Status of Resettlement Assistance
LARP 1	PICIIP 03: WATSAN Sahiwal Lot 3: North Zone pumping station	5.01	8	100 % Paid (8 DPs)	100 % Paid (8 DPs)	100 % Paid (2 DPs)
LARP 2	WATSAN Sahiwal Lot 4: South Zone pumping station	4.09	41	92.5% Paid (37 DPs) 30 th August 2022 is expected complete implementation date	92.5% Paid (37 DPs) 30 th August 2022 is expected complete implementation date	90.24 % Paid (37 DPs) 30 th August 2022 is expected complete implementation date
LARP 3	PICIIP 11 WATSAN Sialkot. Lot 3 Pumping Station	2.34	42	18% (5) DPs have received BOR compensation out of total 28 DPs.	18% (5) DPs have received Differential compensation out of total 28 DPs.	55% (12) DPs have received Resettlement Allowance out of total 22 DPs
LARP 4	PICIIP-8-WWTP Sahiwal	196	142	81% Paid (92 DPs) 30 th August 2022 is expected complete implementation date	81% Paid (92 DPs) 30 th August 2022 is expected complete implementation date	64.78 % Paid (92 DPs) 30 th August 2022 is expected complete implementation date
LARP 5	PICIIP-12-WWTP Sialkot	239	1020	74% (756) have received BOR compensation	74% (756) have received Differential compensation	52% (540) have received Resettlement Allowance out of the total 1024 DPs

73. The External Monitoring Agency (EMA) is on board since November 2020. Inception report, two social audit reports and 6 quarterly external monitoring reports have been submitted to ADB, out of which only the last EMR is under review whereas, all other submitted reports have been approved and disclosed on ADB and EA websites.

74. For further details on social safeguards-related activities, please refer to project's Semi-Annual (Internal) Safeguards Monitoring Report (Jan– June 2022) disclosed on ADB's and PICIIP's websites.

75. For projects designed under Urban Mobility Projects, Initial screening of Involuntary Resettlement and Indigenous Peoples for the priority projects identified for both Sahiwal and Sialkot are in process. (For details on priority projects identified by UMDS, please refer to section 6.3 of this report). A detailed social due diligence (SDDR) will be submitted to ADB in the 4th quarter of 2022.

9.2 Environmental Safeguards

76. In this quarter project progress was suffered due to the Monsoon season and almost on all sites work was suspended as Sialkot received heavy rainfall in every Monsoon season. Contractor was instructed to close all the deep excavation sites completely for the safety of public. Few sites were completely cordoned-off with hard barricade to avoid public exposure. Environmental monitoring is being done for the projects under execution and semiannual reports are being shared with ADB regularly. There were some gaps in restoration by the Contractors for which letters have been written

for compliance. Delays in restoration works at different sites created large number of public grievances, contractor has been warned and issued non-compliance letters many times to fully implement the site-specific environment management plans to resolve the public grievances. Instructions from CIU environment safeguard team are also issued to EPCM to control the contractor activities and to play their role in implementation of environment safeguards. Multiple training sessions have been arranged by CIUs safeguard team in follow up as refresher courses for Contractors staff.

77. During the current quarter ADB's Safeguard mission visited Sahiwal and Sialkot to monitor environmental and HSE compliance at the sites. Based on non-compliances highlighted during the mission a 1st Corrective Action Plan (CAP) has also been shared with PMU on January 2022 for regular monitoring of HSE compliance. The CAP is being under implementation by PMU and CIU team.

78. Some critical issues related to the safe execution of work were also unaddressed from the EPCM. EPCM instructed by PMU management to provide the approved method statements of complex nature of work that must include the safety aspects of the work.

79. For further details on environment-related activities, please refer to project's Semi-Annual Environmental Monitoring Report (July – Dec 2021) disclosed on ADB's and PICIIP's websites.

9.3 Implementation of Gender Action Plan

80. Gender Action Plan for PICIIP is being implemented throughout the project to facilitate effective gender mainstreaming. Collection and reporting of GAP implementation results is observed regularly.

81. According to the Gender Action Plan activity 1/ 2.3 second indicator that is to provide WASH related training to household members in all project communities, with 30% women participation. So, for this purpose, total 16 trainings, 9 in Sahiwal & 7 in Sialkot on urban WASH in the 14 different communities has been conducted with the total of 195 (100% of women) and 131 (89% of women) participants respectively by the trained WASH focal persons and both Research Analyst Gender. Participants were informed about personal and environmental hygiene practices during these training sessions. WASH focal persons/ Volunteers have been mobilized in both cities and their activities are regularly monitored through telephone and has created WhatsApp group to have direct contact with them.

82. During world water week, 4 Awareness raising sessions on valuing water have been organized in Sahiwal with total 150 teachers and students & 76 were women & girls. From gender unit Sialkot, a video on valuing water has been disseminated on social media which reached out to 356 men and women. A 14 Day tree Plantation campaign from 1 August to 14 August has been planned and implemented by Research Analyst-Gender to Celebrate Independence Day 2022 in both cities for making Pakistan greener & healthier and to enhance women participation. Total outreach was more than 1900 persons, 1000 in Sahiwal and 900 in Sialkot among them 60% was women participation.

83. A separate Quarterly report on GAP is being submitted regularly to ADB, however, detailed status update on GAP is provided in **Appendix 9**.

10 Monitoring and Reporting

84. 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, and Report on actual or potential breach of compliance with ESMS, EMP, LARP, or IPP, Completion Report. A matrix of all such reports together with reference in PAM, and Loan / Project Agreements, and status of submission is provided at **Appendix 10**.

11 Update on Agreed Actions with most recent ADB Mission

85. Significant progress has been made on the actions agreed during the loan review mission held from 1 November to 4 December 2021 and the most recent country portfolio review meeting held on 11 March 2022. The agreed actions, for which timelines are slightly revised, Loan Review Mission include; (i) Contract Awards of WWTP subprojects (ii) Hiring of Individual Consultants, (iii) EPCM Consultant VO, (iv) Activities related to PMU/CIU strengthening, (v) approval of grant in aid for resettlement assistance to the DPs. The current status of agreed actions is given in **Appendix 11**.

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

12 Major Project Issues and Problems

87. Frequent changes in PMU and EA leaderships result in delayed decision making and ownership issues.

88. Frequent changes in signatories have affected the payment process badly. Payments to the Contractors have been delayed due to non-operational CPD system and delays in re-authorization of lapsed funds. Due to both these reasons payments have been made to contractors and consultants through manual withdrawal applications which have resulted in delayed payments.

89. Unprecedented price hike has worsened the cash flow issues of contractors and needs to be addressed in light of ADB guidance note and Govt. policy. A determination for revised price adjustment indices has been made in this regard by the EPCM consultant which has been reviewed by PMU in-house committee. The case will be forwarded for approval of competent forum and will be forwarded to ADB for approval, subsequently.

90. Health Safety and Environmental compliance is a big challenge without compromising on the pace of work. Training and refresher courses will be provided to the workers in this regard for enhanced awareness. HSE champion program is also initiated to reward the workers with good compliance. Penalties would be imposed on Contractors and contractual actions would be taken, in order to develop culture of HSE compliance.

13 Action Plan to Mitigate Implementation Challenges

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

Table 28 Implementation Challenges and Mitigation Action Plan

Sr. No.	Implementation Challenge	Action Plan
1	Frequent changes in leadership	Frequent changes of PDs or Signatories have affected the project badly. Summary for the Chief Minister has been moved by EA in this regard. Authorities have been sensitized regarding the issue.
2	Frequent changes in co-signatories	
3	Streamlining payment process	Request for activation of CPD account for withdrawal applications submission
4	Hampered progress of on-going projects	Issues related to EPCM VO and payments have been resolved.
5	Traffic Management	Coordinated efforts are ongoing with the help of district administration.
6	HSE compliance	Implementation of Corrective Action Plan in true letter and spirit. Regular meetings and surprise visits are being conducted in this regard.
7	Sustainability of PICIIP Investments	Enhanced focus on ODBM activities and continued deliberation with the consultants and stakeholders.

Appendix 1

Update on Staff Appointments (PMU and CIUs) *

Sr. No.	Name of Key Staff Position	Approved Strength (No.)	Position Filled (No.)		Vacant	Vacant Since
			As of Last quarter	As of Quarter under review		
A. PMU-PICIIP						
1	Program Director	1	1	1	0	-
2	Deputy Program Director	1	0	0	1	-
3	Chief Engineer	1	1	1	0	-
4	Director Infrastructure	1	1	0	1	
5	Deputy Director Infrastructure	1	1	1	0	
6	Assistant Directors Engineer	4	2	2	2	
7	Director Urban Planning	1	0	0	1	
8	Deputy Director Urban Planning	1	1	1	0	-
9	Director M&E	1	1	1	0	-
10	Deputy Director M&E (Coord & Reporting)	1	1	1	0	
11	Deputy Director M&E (Data Handling & Analysis)	1	1	1	0	-
12	Deputy Director Social Safeguard	1	1	1	0	
13	Director Procurement & Contracts	1	0	0	1	
14	Deputy Director Procurement & Contracts	1	1	1	0	-
15	Deputy Director Communication	1	1	1	0	-
16	Assistant Director Communication	1	0	0	1	
17	Graphic & Visual Arts Designer	1	0	0	1	
18	Photographer	1	0	0	1	
19	Director Admin & Finance	1	1	0	1	-
20	Deputy Director Finance & Budget	1	1	1	0	-
21	Finance Officer	1	1	1	0	
22	Programmer	1	0	0	1	
23	Deputy Director IT	1	0	0	1	-
24	Admin Officer	1	1	1	0	-
25	Accountant / Cashier	1	1	1	0	-
26	Internal Auditor	1	1	1	0	-
27	Law/Compliance Officer	1	1	1	0	
28	Computer Operator	4	2	2	2	
29	Office Assistant	4	2	2	2	
30	Dak Runner	2	2	2	0	
31	Driver	8	2	2	6	
32	Security Guard	2	2	1	1	
B. CIU Sahiwal & Sialkot						
1	City Manager	2	0	0	2	

2	Infrastructure Engineer	2	2	1	1	
3	Assistant Infrastructure Engineer	2	0	0	2	
4	Junior Infrastructure Engineer (Water & Sanitation)	2	2	2	0	
5	Junior Infrastructure Engineer (SWM)	2	2	2	0	
6	Junior Infrastructure Engineer (Road & Transport)	2	2	2	0	
7	Junior Infrastructure Engineer (Electrical)	2	1	1	1	
8	Junior Infrastructure Engineer (Materials)	2	2	2	0	
9	Sub Engineers	6	6	5	1	
10	Project Support Officer	2	2	2	0	
11	Urban Planner	2	2	1	1	
12	Contracts/Legal Officer	2	0	0	2	
13	Finance Officer	2	1	1	1	
14	Research Analyst (Social Safeguards)	2	1	1	1	
15	Research Analyst (Environment)	2	2	2	0	
16	Research Analyst (Gender)	2	2	2	0	
17	Research Analyst (GIS/MIS)	2	1	1	1	
18	Admin & Accounts Officer	2	1	1	1	
19	Computer Operator	4	3	3	1	
20	Office Assistant	4	3	3	1	
21	Dak Runner	2	2	2	0	
22	Driver	6	2	2	4	
23	Security Guard	4	4	4	0	
	Total	110	73	67	43	
	Male			53		
	Female			14		
	Female as % of Total			21%		
* As per 2nd revised PC-I						

Appendix 2

Procurement and Consulting Services Contracts

Table 2.1: Preparedness of the Subprojects in procurement process

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-04-A Road Up-gradation Sahiwal Upgradation /Rehabilitation of existing roads, streets and pavements in Sahiwal	2,000,000	Q3/2020	Q4 2021	Q2/2021	Q4/2021	N/A	N/A	N/A	N/A	Q1/2021	Q1/2021	Q2/2021	Q2/2021	Ongoing works
PICIIP-08A-Sahiwal-WWTP Construction of Wastewater Treatment Plant (WWTP) in North Zone Sahiwal	7,000,000	Q2/2020	Q2/2020	N/A	N/A	Q1/2021	Q2/2021	Q1/2021	Q3/2021	Q3/2021	Q3/2021	Q3/2020	Q3/2020	Contract signed on 16 November 2021; commencement issued on 18 June 2022
PICIIP-12 Sialkot-WWTP Construction of Wastewater Treatment Plant (WWTP) in North Zone, Sialkot	13,000,000	Q2/2020	Q2/2020	N/A	N/A	Q4/2020	Q2/2021	Q3/2021	Q3/2021	Q3/2020	Q3/2020	Q3/2020	Q3/2020	Contract signed on 11 November 2021; commencement issued on 30 April 2022

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-15 PLGA Lala Musa Upgradation of Punjab Local Government Academy (PLGA) campus at Lala Musa	2,000,000	Q3/2022	-	Q4/2022	-	-	-	-	-	-	-	-	-	Scope identified, PC-I under preparation.
PICIIP-27-Parking sheds Civil Works for Parking Sheds at Sahiwal	1,400,000	Q1/2021	Q4/2022	Q3/2021	Q4/2021	N/A	N/A	N/A	N/A	Q1/2021	Q2/2021	Q2/2021	Q4/2021	PC-I under revision after failure of 3 rounds of procurement.
Goods and Works Contracts Estimated to Cost Less than \$1 Million														
PICIIP-24-PMU Establishment General Office, IT Equipment, Furniture and Fixtures, Office Repair and Communication & Media Equipment	750,000	N/A												Revised PC-I of PMU/CIU establishment has been approved by PDWP. 5 lots awarded; lot-6 under bidding stage
Indicative List of Packages required under the Project														
PICIIP-04-Road Upgradation Upgradation of existing roads, footpaths, signaling, green belts, open spaces, safe waste disposal, bus terminals and Parks in Sahiwal	27,600,000			Q4/2022	Q4/2022					Q4/2022				PC-I of priority projects under UMDS are submitted to P&D Board, SDDR and REAs are under preparation.

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	
and Sialkot City.														
PICIIP-06 Water Meters Supply of postpaid and pre-paid meters	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 Intervention AMIS, MIS, City Central Control Room, Municipal Complaint Management and Re-address System, development of dashboards for monitoring & evaluation	3,000,000													
PICIIP-23- Smart City Equipment Smart City Equipment for Sahiwal and Sialkot	3,000,000													

Table 2.1.1: Preparedness of the Subprojects under implementation (or with LOA issued)

Sr. No.	Package No.	PP Estimated Value	PC-I Approval	IEE Approval	SSEMP Approval	SDDR Approval	LARP Approval
1	PICIIP-03 (Lot 1) - Sahiwal WATSAN	14,200,000.00	22 Apr 20	8 Apr 20	16 Mar 21	8 Aug 2020	N/A
2	PICIIP-03 (Lot 2) - Sahiwal WATSAN	14,200,000.00		8 Apr 20	15 Apr 21		N/A
3	PICIIP-03 (Lot 3) - Sahiwal WATSAN	13,400,000.00		8 Apr 20	4 Jun 21		28-Feb-21 Revised LARP approved on 9 Sep 2021 (Complete LARP implementation expected in Q1 2023)
4	PICIIP-03 (Lot 4) - Sahiwal WATSAN	13,200,000.00		8 Apr 20	Under Review		29-Mar-21 Revised LARP approved on 8 Sep 2021 (Complete LARP implementation expected in Q1 2023)
5	PICIIP-04A - Road Upgradation Sahiwal	2,000,000.00	9 Oct 20	17 Jun 21	Under Review	17 Jul 2021	SDDR approved on 17 July 2021
6	PICIIP-08A - Sahiwal WWTP	11,500,000.00	1 Sep 20	28 Jul 20	After award of contract		LARP approved on 24 Aug 2021 - Implementation completion: Q1 2023
7	PICIIP-11 (Lot 1) - Sialkot WATSAN	14,700,000.00	18 Aug 20	24 Jun 20	15 Apr 21	20 Jun 20	N/A
8	PICIIP-11 (Lot 2) - Sialkot WATSAN	14,200,000.00		24 Jun 20	15 Apr 21		N/A
9	PICIIP-11 (Lot 3) - Sialkot WATSAN	12,900,000.00		24 Jun 20	Will be submitted before mobilization of contractor at site		21-May-21 Revised LARP 4 approved 8 Sep 2021 (Complete LARP implementation expected in Q3 2023)
10	PICIIP-11 (Lot 4) - Sialkot WATSAN	8,200,000.00		24 Jun 20	31 Mar 21		N/A
11	PICIIP-12 - Sialkot WWTP	13,000,000.00	1 Sep 20	4 Aug 20	Submitted to ADB		LARP 5 approved on 8 Sep 2021 - Implementation completion: Q1 2023
12	PICIIP-27 - Parking Sheds	1,400,000.00	9 Nov 20	1 Oct 21	Not yet due	20 October 2021	N/A

Table 2.2: Status of Award of Works and Goods Contracts (Single Stage – One Envelop)

Per PP, Package Number and Name of Contract/Lot	Estimated Value (Inclusive of Tax) \$	ICB/ NCB/ Shopping	IFB issued		BER to ADB		ADB Approval		Award of Contract		Intended Completion Date	Contract Amount (PKR million)	Remarks
			Planned	Actual	Planned	Actual	Planned	Actual	Planned	Actual			
Indicative Package													
PICIIP-24-PMUEstablishment General Office, IT Equipment, Furniture and Fixtures, Office Repair and Communication & Media Equipment	750,000	Shopping	Q1/2021	Q3 2021	Q2/2021	Q4 2021	Q2/2021	-	Q2/2021	-	-	-	Procurement completed for multiple lots
PICIIP-25-Miscellaneous SWM & WSS Goods Miscellaneous Goods for Water & Sanitation and SWM	150,000	Shopping	Q1/2021	Q2/2021	Q2/2021	Q2/2021	Q3/2021	-	Q3/2021	-	-	-	Procurement completed

Table 2.3: Status of Award of Works and Goods Contracts (Single Stage – Two Envelope)

Per PP, Package Number and Name of Contract/Lot	Estimated Value (Inclusive of Tax) \$	ICB/ NCB	IFB Issued		Technical BER to ADB		ADB Approval		Final financial BER to ADB		ADB Approval		Award of Contract		Intended Completion Date (as per contract)	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																
PICIIP-01-Public Spaces	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
Upgradation of existing parks in Sahiwal and Sialkot																Lot 2: PKR 308.20 m
PICIIP-02-SWM, Water and Sanitation Equipment	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	Lot 1: \$ 2.036 m
Solid Waste Management, Water & Sanitation Equipment																Lot 2: \$ 1.694 m
																Lot 3: \$ 2.037 m
PICIIP-14-PLGA Lahore	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	10 June 2021	PKR 1,863 m
PICIIP-03-Sahiwal-Water and Sanitation	55,000,000															
Procurement of Water Supply and Sanitation, Water supply system, filtration plants, tube wells, OHRs and trunk main sewer, effluent pumping station and allied works																
Lot 1: Water supply system, filtration plants, tube wells, 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

Per PP, Package Number and Name of Contract/Lot	Estimated Value (Inclusive of Tax) \$	ICB/ NCB	IFB Issued		Technical BER to ADB		ADB Approval		Final financial BER to ADB		ADB Approval		Award of Contract		Intended Completion Date (as per contract)	Contract Amount	
			Planned	Actual	Planned	Actual	Planned	Actual	Planned	Actual	Planned	Actual	Planned	Actual			
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. 2,128.310 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	Q3/2020	Q3/2020	Q3/2020	Q3/2020	Q3/2020	Q1/2021	Q1/2021	Contract awarded on 4 Mar 2021 after LARP approval from ADB. Work commenced on 29 July 2021	Rs. 1,872.97 M
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	Q3/2020	Q3/2020	Q3/2020	Q3/2020	Q3/2020	Q1/2021	Q2/2021	Contract awarded on 1 Apr 2021 after LARP approval from ADB. Work commenced on 25 August 2021.	Rs. 1,952 M
PICIIP-04-A Road Up-gradation / Rehabilitation of existing roads, streets and pavements in Sahiwal	2,000,000	NCB	Q2/2021	Q1/2021	Q2/2021		Q2/2021		Q2/2021			Q2/2021		Q2/2021			Rs. 242,723 M
PICIIP-08A-Sahiwal-WWTP Construction of Wastewater Treatment Plant (WWTP) in North Zone Sahiwal	7,000,000	ICB	Q4/2020	Q4/2020	Q4/2020	Q4/200	Q4/2020	Q4/2020	Q4/2020	Q1/2021	Q4/2020	Q1/2021	Q2/2021	Q3/2021	LOA issued to contractor on 1 Feb 2021. Contract signed on 16 November 2021 and commencement issued on 18 June 2022	Rs. 996.89 M	
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 Works (Zone 3-A)	14,700,000	NCB	Q3/2020	Q3/2020	Q4/2020	Q4/2020	Q4/2020	Q4/2020	Q4/2020	Q4/2020	Q4/2020	Q4/2020	Q4/2020	Q4/2020	21 January 2023	Rs. 1,914.19M	

Per PP, Package Number and Name of Contract/Lot	Estimated Value (Inclusive of Tax) \$	ICB/ NCB	IFB Issued		Technical BER to ADB		ADB Approval		Final financial BER to ADB		ADB Approval		Award of Contract		Intended Completion Date (as per contract)	Contract Amount	
			Planned	Actual	Planned	Actual	Planned	Actual	Planned	Actual	Planned	Actual	Planned	Actual			
Lot 2: Pre-Cast RCC Conduits and Allied Works (Zone 3-B)	14,200,000	NCB	Q3/2020	Q3/2020	Q4/2020	Q4/2020	Q4/2020	Q4/2020	Q4/2020	Q4/2020	Q4/2020	Q4/2020	Q4/2020	Q4/2020	21 January 2023	Rs. 1,824.98M	
Lot 3: Influent Pumping station, Force main and Allied Works (Zone 3-C)	12,900,000	NCB	Q3/2020	Q3/2020	Q4/2020	Q4/2020	Q4/2020	Q4/2020	Q4/2020	Q4/2020	Q4/2020	Q4/2020	Q4/2020	Q2/2021	Q2/ 2021	Contract awarded on 15 June 2021 after LARP approval from ADB. Work commenced on 25 Aug 2021.	Rs. 1,551 M
Lot 4: Water Supply System (Zone 3-D)	8,200,000	NCB	Q3/2020	Q3/2020	Q4/2020	Q4/2020	Q4/2020	Q4/2020	Q4/2020	Q4/2020	Q4/2020	Q4/2020	Q4/2020	Q4/2020	Q4/2020	16 June 2022	Rs. 1,148.75 M
PICIIP-12 Sialkot-WWTP Construction of Wastewater Treatment Plant (WWTP) in North Zone, Sialkot	13,000,000	ICB	Q3/2020	Q3/2020	Q4/2020	Q1/2021	Q4/2020	Q1/2021	Q2/2021	Q2/2021	Q2/2021	Q1/2021	Q2/2021			Contract awarded on 11 Nov 2021. After LARP approval from ADB. Work commenced on 30 April 2022	Rs. 18,30.02 M
PICIIP-15 PLGA - Lala Musa Upgradation of Punjab Local Government Academy (PLGA) campus at Lala Musa	2,000,000	NCB	Q4/2021		Q4/2021		Q1/2022		Q1/2022		Q1/2022						
Indicative packages																	
PICIIP-04-RoadUpgradation Upgradation of existing roads, footpaths, signaling, green belts, open spaces, safe waste disposal, bus terminals and Parks in Sahiwal and Sialkot City and Sialkot City.	27,600,000	NCB															

Per PP, Package Number and Name of Contract/Lot	Estimated Value (Inclusive of Tax) \$	ICB/ NCB	IFB Issued		Technical BER to ADB		ADB Approval		Final financial BER to ADB		ADB Approval		Award of Contract		Intended Completion Date (as per contract)	Contract Amount
			Planned	Actual	Planned	Actual	Planned	Actual	Planned	Actual	Planned	Actual	Planned	Actual		
PICIIP-06 Water Meters Supply of postpaid and pre-paid meters for Sahiwal and Sialkot	2,000,000	ICB														
PICIIP-08B-Sahiwal-WWTP Construction of Treated Water Conveyance System for Wastewater Treatment Plant (WWTP) in North Zone, Sahiwal	7,000,000	ICB														
PICIIP-22- Establishment of Smart City Establishment of Smart City Intervention, AMIS, MIS, City Central Control Room, Municipal Complaint Management and Re-address System, Development of dashboards for monitoring and evaluation	3,000,000	NCB	Likely to be dropped													
PICIIP-23-Smart City Equipment Smart city equipment for Sahiwal and Sialkot	3,000,000	ICB	Likely to be dropped													

Table 2.4: Status of Award of Works and Goods Contracts (Shopping method)

Per PP, Package Number and Name of Contract/Lot	Estimated Value (Inclusive of Tax) \$	ICB/ NCB/ Shopping	RFQ issued		Evaluation of Quotation Approved		ADB Approval		Signing of Contract		Intended Completion Date	Award Amount M	Remarks
			Planned	Actual	Planned	Actual	Planned	Actual	Planned	Actual			
PICIIP-24-PMU Establishment General Office, IT Equipment, Furniture and Fixtures, Office Repair and Communication & Media Equipment	750,000	Shopping	Q3/2021	Lot 1,2,3 Q3 2021 Lot 4 Q4 2021 Lot 5 Q1/2022 Lot 6 Q2 / 2022	Q3/2021	Lot 1,2,3 Q4 2021 Lot 4 Q2 2022 Lot 5 Q2/2022 Lot 6 Q 2/ 2022	Q3/2021	Lot 1,2,3 Q4 2021 Lot 4 Q2 2022 Lot 5 Q2/2022 Lot 6 Under process	Q3/2021	Lot 1,2,3 Q4 2021 Lot 4 Q2 2022 Lot 5 Q2/2022 Lot 6 Under process	Completed	\$ 0.19 m	A Lot 7 is also proposed for furniture and fixtures procurement
PICIIP-25- Miscellaneous SWM & WSS Goods Miscellaneous goods for water & Sanitation and SWM	150,000	Shopping	Q2/2021	Q2/2021	Q2/2021	Q2/2021	Q3/2021	Q3 2021	Q3/2021	Q3 2021	Completed	Rs. 2.763 M	Temporal data provided in this row is for 1 st contract only. Rest 2 contracts will be processed as per requirement.

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 (expected)	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 May 2021	PKR 154,090,599	-	PKR 154,090,599	PKR 144,060,356	PKR 144,060,356	100	93.49
2	NCB-Works/PICIIP-01- Public Spaces Lot 2: Up gradation of 04 existing Parks in Sialkot	NCB	10 October 2019	24 October 2020	15 Nov 2021	PKR 308,201,087	-	PKR 308,201,087	PKR 242,969,321	PKR 242,969,321	93.8	72.78
3	NCB-Works/PICIIP-14- PLGA Lahore Construction of Punjab Local Govt. Academy Lahore	NCB	27 November 2019	10 June 2021	31 October 2021	PKR 1,863,801,178	-	PKR 1,863,801,178	PKR 1,025,308,552	PKR 1,025,308,552	76.18	52.04
4	ICB-Goods/PICIIP-02- SWM, Water and Sanitation Equipment Supply and Installation of Water and Sanitation Equipment Lot-1	ICB	31 October 2019	30 October 2020	31 March 2021	US\$ 2,036,269	-	US\$ 2,036,269	US\$ 2,036,269	US\$ 2,036,269	100	100
5	ICB-Goods/PICIIP-02/ PICIIP-02-SWM, Water and Sanitation Equipment Supply and Installation of Water and Sanitation Equipment Lot-2	ICB	31 October 2019	30 October 2020	31 March 2021	US\$ 1,694,107	-	US\$ 1,694,107	US\$ 1,694,107	US\$ 1,694,107	100	100

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 (expected)	Original	Revised (If any)		Total	ADB Share		
6	PICIIP-02-SWM, Water and Sanitation Equipment Supply and Installation of Water and Sanitation Equipment Lot-3	ICB	31 October 2019	30 October 2020	31 July 2021	US\$ 2,037,736	-	US\$ 2,037,736	US\$ 1,833,962	US\$ 1,833,962	100	90.00
7	Upgradation/Rehabilitation of Existing Roads, Streets and Pavement in Sahiwal (NCB-Works/PICIIP-04A)	NCB	26 Nov 2021	22 Mar 2022	10 June 2022	Rs. 242,723,175	-	Rs. 242,723,175	Rs. 67,178,943	Rs. 67,178,943	19.2	22.18
8	Water Supply System, Filtration Plants, Tubewells, OHRs, SCADA and Allied Works (NCB-Works/PICIIP-03) Lot – 1 Sahiwal	NCB	17 November 2020	16 December 2022	-	Rs. 2,058,818,352	-	Rs. 2,058,818,352	PKR 1,148,223,664	PKR 1,148,223,664	43.08	44.90
9	North Zone A (Sanitation) Trunk Main Sewer Lines and Allied Works (NCB-Works/PICIIP-03) Lot – 2 Sahiwal	NCB	13 October 2020	24 May 2022	1 Mar 2023	Rs. 2,128,310,936	-	Rs. 2,128,310,936	PKR 1,020,686,839	PKR 1,020,686,839	43.32	46.24
10	North Zone B (Sanitation) Trunk main sewer Conduit, Influent pumping station and allied works (NCB-Works/ PICIIP-03) Lot – 3 Sahiwal	NCB	4 March 2021	26 Jan 2023	-	Rs. 1,872,977,187	-	Rs. 1,872,977,187	PKR 391,087,981	PKR 391,087,981	0.96	20.88
11	South Zone B (Sanitation) Trunk main sewer, Influent pumping station and allied works (NCB-Works /PICIIP-03) Lot – 4 Sahiwal	NCB	1 April 2021	23 Feb 2023	-	Rs. 1,952,248,220	-	Rs. 1,952,248,220	PKR 566,432,482	PKR 566,432,482	9.95	26.80
12	Construction of Wastewater Treatment Plant North Zone Sahiwal (ICB-Works/ PICIIP-08A)		16 Nov 2021			Rs. 996,892,716						

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 (expected)	Original	Revised (If any)		Total	ADB Share		
13	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/PICIIP-11)	NCB	25 November 2020	16 Dec 2022	-	Rs. 1,914,199,996	-	Rs. 1,914,199,996	PKR 794,902,692	PKR 794,902,692	23.04	36.41
14	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/PICIIP-11)	NCB	25 November 2020	16 Dec 2022		Rs. 1,824,989,269	-	Rs. 1,824,989,269	PKR 848,185,311	PKR 848,185,311	32.86	42.70
15	Works for Rehabilitation Improvement of Water Supply & Sewerage System in North Zone, Sialkot Lot - 3: Influent Pumping station, Force main and Allied Works (Zone 3-C) (NCB-Works/PICIIP-11)	NCB		24 Aug 2023	-	Rs. 1,551,000,003	-	Rs. 1,551,000,003	PKR 415,334,672	PKR 415,334,672	9.10	26.78
14	Works for Rehabilitation Improvement of Water Supply & Sewerage System in North Zone, Sialkot Lot - 4: Water Supply System (Zone 3-D) (NCB-Works/PICIIP-11)	NCB	25 Nov 2020	16 June 2022	(EOT in Process)	Rs. 1,148,752,166	-	Rs. 1,148,752,166	PKR 543,092,086	PKR 543,092,086	45.3	45.02
15	Construction of Wastewater Treatment Plant North Zone Sialkot (ICB-Works/ PICIIP-12)	NCB	11 Nov 2021	29 Apr 2024	-	Rs. 1,830,017,429	-	Rs. 1,830,017,429	Rs. 274,502,614	Rs. 274,502,614	-	15.00

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		ADB Approval		Contract Signing	
					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	Q1/2021	Q4/2020	Q1/2021	Q1/2021	Q1/2021	Q2/2021	Q2/2021
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	Q2/2021	Q2/2021	Q2/2021	Q2/2021	Q3/2021	Q3/2021	Q3/2021	Q3/2021	Q3/2021	Q3/2021
PICIIP-Cons_05 A	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	Q2/2021	-	Q2/2021	Q2/2021	Q3/2021	-	Q3/2021	-	Q3/2021	Q3/2021
PICIIP-Cons_05 B	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	Q1/2021	Q1/2021	Q1/2021	Q1/2021	Q1/2021	Q1/2021	Q1/2021	Q2/2021	Q2/2021
PICIIP-Cons_07	Hiring of Consultants for Smart Cities Initiative	1,500,000	QCBS 80:20	FTP	Q2/2021	Q2/2021	Q2/2022	Q2/2021	Q3/2021	Q1/2022	Q4/2021	Q2/2022	Q4/2021	-	Q4/2021	-	Q4/2021	-	Q1/2022	-

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

Pack-age No	Individual Consultant Position	Estimated Amount	Milestone Dates												Contract Amount (PKR) (l/c of all taxes)
			EOI publishing		Submission 1 to ADB		ADB Approval		Submission 2 ADB		ADB Approval		Contract Award		
			Planned	Actual	Planned	Actual	Planned	Actual	Planned	Actual	Planned	Actual	Planned	Actual	
PICIIIP-Cons_01A	Individual Consultants	\$ 1.00 Million													
I.C.S/ PICIIIP_Cons-1/2020-(ES)	Environment Specialist (Ms. Humaira Qasim Khan)	60,817 \$	Q1/2020	Q1/2020	Q1/2020	Q2/2020	Q1/2020	Q2/2020	Q1/2020	Q2/2020	Q1/2020	Q2/2020	Q1/2020	Q2/2020	6,920,676
I.C.S/ PICIIIP_Cons-1/2020-(GS)	Gender Specialist (Ms. Zahra Tul Fatima)	38,197 \$	Q1/2020	Q1/2020	Q1/2020	Q2/2020	Q1/2020	Q2/2020	Q1/2020	Q2/2020	Q1/2020	Q2/2020	Q1/2020	Q2/2020	4,321,464
I.C.S/ PICIIIP_Cons-1/2020-(IDS)	Institutional Development Specialist (Mr. Ali Tariq)	49,555 \$	Q1/2020	Q1/2020	Q1/2020	Q2/2020	Q1/2020	Q2/2020	Q1/2020	Q2/2020	Q1/2020	Q2/2020	Q1/2020	Q2/2020	12,044,802
I.C.S/ PICIIIP_Cons-1/2020-(P&CMS)	Procurement & Contracts Specialist (Mr. Mohsen Islam Khan)	51,975 \$	Q1/2020	Q1/2020	Q1/2020	Q2/2020	Q1/2020	Q2/2020	Q1/2020	Q2/2020	Q1/2020	Q2/2020	Q1/2020	Q2/2020	9,275,070
I.C.S/ PICIIIP_Cons-1/2020-(SSS)	Social Safeguard Specialist (Mr. Abdul Hameed)	63,777 \$	Q1/2020	Q1/2020	Q1/2020	Q2/2020	Q1/2020	Q2/2020	Q1/2020	Q2/2020	Q1/2020	Q2/2020	Q1/2020	Q2/2020	9,870,672
I.C.S/ PICIIIP_Cons-1/2020-(SCDS)	Smart Cities Development Specialist (Mr. Umar Ahmad Awan)	47,000 \$	Q3/2020	Q3/2020	Q4/2020	Q4/2020	Q4/2020	Q4/2020	Q4/2020	Q4/2020	Q4/2020	Q4/2020	Q4/2020	Q4/2020	8,070,468
I.C.S/ PICIIIP_Cons-1/2020-(EME)	External Monitoring Expert (Social Safeguard) (Mr. Hamid Sarfraz)	45,144 \$	Q3/2020	Q3/2020	Q4/2020	Q4/2020	Q4/2020	Q4/2020	Q4/2020	Q4/2020	Q4/2020	Q4/2020	Q4/2020	Q4/2020	8,551,446
I.C.S/ PICIIIP_Cons-1/2020-(UDS)	Urban Development Specialist (Mr. Izhar ul Haq) (Resigned in March 2021)	56,133 \$	Q3/2020	Q3/2020	Q4/2020	Q4/2020	Q4/2020	Q4/2020	Q4/2020	Q4/2020	Q4/2020	Q4/2020	Q4/2020	Q4/2020	10,940,076
I.C.S/ PICIIIP_Cons-1/2020-(UDS)	Urban Development Specialist (Ms. Huma Daha) Hired in place of Mr. Izhar ul Haq	56,133 \$											Q2/2021	Q2/2021	7,534,548
I.C.S/ PICIIIP_Cons-1/2021-(LE)	Legal Expert (Mr. Asif Ali Burney)		Q2/2021	Q3/2021	Q2/2021	Q3/2021	Q2/2021	Q3/2021	Q2/2021	Q3/2021	Q2/2021	Q3/2021	Q2/2021	Q3/2021	36,653.7 \$
I.C.S/ PICIIIP_Cons-1/2021-(MFS)	Municipal Finance Specialist (Mr. Waseem Masood)		Q2/2021	Q2/2021	Q2/2021	Q3/2021	Q2/2021	Q3/2021	Q2/2021	Q3/2021	Q2/2021	Q3/2021	Q2/2021	Q3/2021	24,652.87 \$
I.C.S/ PICIIIP_Cons-1/2021-(PPP)	PPP Specialist (Mr. M. Minhaj)		Q2/2021	Q2/2021	Q2/2021	Q3/2021	Q2/2021	Q3/2021	Q2/2021	Q3/2021	Q2/2021	Q3/2021	Q2/2021	Q3/2021	22,776.78 \$

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 July 2021	PKR 144,060,356	PKR 144,060,356
NCB-Works/PICIIP-01	Lot 2: Up gradation of 04 existing Parks in Sialkot	PKR 308,201,087		10 October 2019	24 October 2020	30 November 2021	PKR 224,321,262	PKR 224,321,262
NCB-Works/PICIIP-14	Construction of Punjab Local Govt. Academy Lahore	PKR 1,863,801,178		27 November 2019	10 June 2021		PKR 969,955,603	PKR 969,955,603
NCB-Works/PICIIP-03	Water Supply System, Filtration Plants, Tube-wells, OHRs, SCADA and Allied Works Lot 1	PKR 2,058,818,352		17 November 2020	14 December 2022		PKR 924,427,123	PKR 924,427,123
NCB-Works/PICIIP-03	North Zone A (Sanitation) Trunk Main Sewer Lines and Allied Works Lot 2	PKR 2,128,310,936		13 October 2020	10 May 2022		PKR 919,379,365	PKR 984,108,565
NCB-Works/PICIIP-03	North Zone B (Sanitation) Trunk Main Sewer Conduits, Influent Pumping Station and Allied Works Lot 3	PKR 1,872,877,187		4 March 2021	10 May 2022		PKR 391,087,981	PKR 391,087,981
NCB-Works/PICIIP-03	South Zone (Sanitation) Trunk Main Sewer, Influent Pumping Station and Allied Works Lot 4	PKR 1,952,248,220		1 April 2021	-		PKR 523,111,897	PKR 523,111,897
NCB-Works/PICIIP-11	Works for Rehabilitation Improvement of Water Supply & Sewerage System in North Zone, Sialkot Lot - 1: Sewerage Limes and Allied Works (Zone 3-A)	PKR 1,914,199,996		25 November 2020	21 January 2023		PKR 696,969,595	PKR 696,969,595
NCB-Works/PICIIP-11	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)	PKR 1,824,989,269		25 November 2020	21 January 2023		PKR 779,230,988	PKR 779,230,988

Pack-age No	Package Description	Actual Contract Amount		Contract Award Date	Completion Date		Disbursement / Utilization	
		Original	Revised		Original	Revised/Actual	Total	ADB Share
NCB-Works/PICIIP-11	Works for Rehabilitation Improvement of Water Supply & Sewerage System in North Zone, Sialkot Lot - 3: Influent Pumping Station, Force Main and Allied Works (Zone 3-C)	PKR 1,551,000,014		15 June 2021	-		PKR 415,334,672	PKR 415,334,672
NCB-Works/PICIIP-11	Works for Rehabilitation Improvement of Water Supply & Sewerage System in North Zone, Sialkot Lot - 4: Water Supply System (Zone 3-D)	PKR 1,148,752,166		25 November 2020	16 June 2022		PKR 517,210,456	PKR 517,210,456
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	31 March 2021	US\$ 2,036,269	US\$ 2,036,269
ICB-Goods/PICIIP-02	Supply and Installation of Water and Sanitation Equipment Lot-2	US\$ 1,694,107		31 October 2019	30 October 2020	31 March 2021	US\$ 1,694,107	US\$ 1,694,107
ICB-Goods/PICIIP-02	Supply and Installation of Water and Sanitation Equipment Lot-3	US\$ 2,037,736		31 October 2019	30 October 2020	30 April 2021	US\$ 1,833,962	US\$ 1,833,962
C. Consultants								
Firms								
PICIIP-Cons_02	Engineering, procurement, and construction management (EPCM) consultant	PKR 372.825 million	PKR 1,281.331 million	18 April 2018	30 April 2021		PKR 554,787,478	PKR 554,787,478
PICIP-Cons-05B	Urban Mobility Design and Supervision Consultant	US\$ 227,508 PKR 470,472,800		31 May 2021	23 June 2024		USD 26,658 PKR 57,161,641	USD 26,658 PKR 57,161,641
PICIIP-Cons-03	Operational design and business model (OBDM) consultant	US\$ 1,550,297.23 PKR 78,634,869		21 June 2021	(NTP to issued)		USD 280,651 PKR 11,008,881	USD 280,651 PKR 11,008,881
PICIIP-Cons-05A	Capacity Building	USD 3,575,291.62 PKR 25,764,178					USD 46,894.37	USD 46,894.37
PICIIP-Cons-04	Audit & Finance Consultant	PKR 30,276,481					PKR 7,199,976	PKR 7,199,976
D. Individual Consultants								

Pack-age No	Package Description	Actual Contract Amount		Contract Award Date	Completion Date		Disbursement / Utilization	
		Original	Revised		Original	Revised/Actual	Total	ADB Share
I.C.S/PICIIP_Cons-1/2020-(ES)	Individual Consultants (Environment Specialist)	PKR 6,920,676		22 April 2020	20 April 2022		PKR 2,527,543	PKR 2,527,543
I.C.S/PICIIP_Cons-1/2020-(GS)	Individual Consultants (Gender Specialist)	PKR 4,321,464		21 April 2020	20 October 2021		PKR 2,979,634	PKR 2,979,634
I.C.S/PICIIP_Cons-1/2020-(IDS)	Individual Consultants (Institutional Development Specialist)	PKR 12,044,802		20 April 2020	20 April 2021		PKR 9,529,799	PKR 9,529,799
I.C.S/PICIIP_Cons-1/2020-(P&CMS)	Individual Consultants (Procurement & Contracts Management Specialist)	PKR		21 April 2020	20 April 2022		PKR 10,727,680	PKR 10,727,680
I.C.S/PICIIP_Cons-1/2020-(SSS)	Individual Consultants (Social Safeguard Specialist)	PKR 9,870,672		21 April 2020	20 April 2022		PKR 11,457,552	PKR 11,457,552
I.C.S/PICIIP_Cons-1/2020-(UDS)	Individual Consultant (Urban Development Specialist) (Izhar-ul-Haq)	PKR 10,940,076		13 October 2020	12 October 2022	14 March 2021	PKR 360,000	PKR 360,000
I.C.S/PICIIP_Cons-1/2020-(EMS)	Individual Consultant (External Monitor Safeguard)	PKR 8,551,446		13 October 2020	12 October 2022		PKR 5,472,924	PKR 5,472,924
I.C.S/PICIIP_Cons-1/2020-(SCDS)	Individual Consultant (Smart Cities Development Specialist)	PKR 8,070,468		13 November 2020	12 May 2022		PKR 4,625,616	PKR 4,625,616
I.C.S/PICIIP_Cons-1/2020-(UDS)	Individual Consultant (Urban Development Specialist) (Huma Daha)	PKR 7,534,548		1 April 2021	1 April 2023		PKR 3,885,598	PKR 3,885,598
I.C.S/PICIIP_Cons-1/2020-(LE)	Individual Consultant (Legal Expert)	PKR 6,478,542		21 April 2020	21 April 2020		PKR 437,828	PKR 437,828

Project Expenditure

Project Expenditure

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

Item	Amount as Approved	Amount Utilized till Last Quarter (Q1 2022)	During Current Quarter (Q2 2022)	Cumulative Utilization
A. Investment Cost				
Land Acquisition and Resettlement	1.150	9.843	-	9.843
Environment	0.030	-	-	-
Equipment	84.000	5.584	-	5.584
Civil Works	97.600	43.599	0.419	44.018
Consulting Services - Project Implementat	9.570	5.139	0.129	5.267
Consulting Services - Capacity Developme	9.620	0.047	-	0.047
Subtotal (A)	201.970	64.211	0.548	64.759
B. Recurrent Costs				
Project Management	3.000	2.366	0.289	2.655
Subtotal (B)	3.000	2.366	0.289	2.655
Total Base Cost	204.970	66.578	0.837	67.414
C. Contingencies				
Physical	20.730	0.222	0.005	0.227
Price	9.060	-	-	-
Subtotal (C)	29.790	0.222	0.005	0.227
D. Financial Charges During Implementati	15.240	2.007	-	2.007
Total Project Cost (A + B + C + D)	250.000	68.806	0.842	69.648

*Total project cost includes Interest & Commitment Charges till Q1, 2022.

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	9.843	1.150	9.843
Environment	-	-	0.030	-	0.030	-
Equipment	84.000	5.584	-	-	84.000	5.584
Civil Works	97.600	44.018	-	-	97.600	44.018
Consulting Services - Project Implementat	9.570	5.267	-	-	9.570	5.267
Consulting Services - Capacity Developme	5.830	0.047	3.790	-	9.620	0.047
Subtotal(A)	197.000	54.916	4.970	9.843	201.970	64.759
B. Recurrent Costs						
Project Management	3.000	2.655	-	-	3.000	2.655
Subtotal(B)	3.000	2.655	-	-	3.000	2.655
Total Base Cost	200.000	57.571	4.970	9.843	204.970	67.414
C. Contingencies						
Physical	-	-	20.730	0.227	20.730	0.227
Price	-	-	9.060	-	9.060	-
Subtotal(C)	-	-	29.790	0.227	29.790	0.227
D. Financial Charges During Implementati	-	-	15.240	2.007	15.240	2.007
Total Project Cost (A + B + C + D)	200.000	57.571	50.000	12.077	250.000	69.648
% of Total Project Cost		28.79%		24.15%		27.86%

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		Output 4	
			As Approved	Actual	As Approved	Actual	As Approved	Actual	As Approved	Actual
A. Investment Cost										
Land Acquisition and Resettlement	1.150	9.843	-	-	1.150	9.843	-	-	-	-
Environment	0.030	-	-	-	-	-	0.030	-	-	-
Equipment	84.010	5.584	14.720	-	39.420	5.584	29.870	-	-	-
Civil Works	97.600	44.018	11.240	8.945	8.570	22.958	74.020	8.323	3.770	3.792
Consulting Services - Project Implementati	9.570	5.267	-	-	-	-	-	-	9.570	5.267
Consulting Services- Capacity Developmen	9.620	0.047	-	-	-	-	-	-	9.620	0.047
Subtotal (A)	201.980	64.759	25.960	8.945	49.140	38.385	103.920	8.323	22.960	9.107
B. Recurrent Costs										
Project Management	3.000	2.655	-	-	-	-	-	-	3.000	2.655
Subtotal (B)	3.000	2.655	-	-	-	-	-	-	3.000	2.655
Total Base Cost with Taxes	204.980	67.414	25.960	8.945	49.140	38.385	103.920	8.323	25.960	11.762
C. Contingencies										
Physical	20.720	0.222	2.620	-	4.970	0.219	10.510	-	2.620	0.002
Price	9.060	-	1.150	-	2.170	-	4.590	-	1.150	-
Subtotal (C)	29.780	0.222	3.770	-	7.140	0.219	15.100	-	3.770	0.002
D. Financial Charges During Implementa:	15.240	2.007	1.930	-	3.650	-	7.730	-	1.930	-
Total Project Cost (A + B + C + D)	250.000	69.643	31.660	8.945	59.930	38.605	126.750	8.323	31.660	11.764

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

(\$ Million)												
Item	Projected	Actual	2018		2019		2020		2021		2022	
			Projected	Actual	Projected	Actual	Projected	Actual	Projected	Actual	Projected	Actual
A. Investment Costs												
Land Acquisition and Resettlement	1.150	9.843	1.150	-	-	-	-	7.570	-	2.273	-	-
Environment	0.030	-	0.010	-	0.010	-	0.010	-	0.010	-	-	-
Equipment	84.000	5.584	8.400	-	16.800	0.577	42.000	2.086	16.800	2.920	-	0.001
Civil Works	97.600	44.019	9.760	-	19.520	2.873	39.040	15.173	29.280	22.567	-	3.406
Consulting Services - Project Implementat	9.570	5.267	0.960	0.393	1.910	0.939	3.830	1.783	2.870	1.720	-	0.434
Consulting Services- Capacity Developme	9.620	0.047	1.070	-	2.050	-	3.700	-	2.800	0.047	-	-
Subtotal (A)	201.970	64.759	21.350	0.393	40.290	4.388	88.580	26.611	51.760	29.528	-	3.840
B. Recurrent Costs												
Project Management	3.000	2.654	0.750	0.242	0.750	0.512	0.750	0.655	0.750	0.699	-	0.546
Subtotal (B)	3.000	2.654	0.750	0.242	0.750	0.512	0.750	0.655	0.750	0.699	-	0.546
Total Base Cost	204.970	67.413	22.100	0.635	41.040	4.900	89.330	27.265	52.510	30.227	-	4.386
C. Contingencies												
Physical	20.740	0.228	2.280	-	4.260	0.001	8.920	0.026	5.270	0.190	-	0.010
Price	9.060	-	-	-	-	-	-	-	9.060	-	-	-
Total Contingency	29.800	0.228	2.280	-	4.260	0.001	8.920	0.026	14.330	0.190	-	0.010
D. Financial Charges During Implementati	15.230	2.007	1.640	0.267	3.050	0.630	6.650	0.590	3.890	0.520	-	-
Total Project Cost (A + B + C + D)	250.000	69.648	26.020	0.901	48.350	5.532	104.900	27.882	70.730	30.937	55.070	4.396
% Total Project Cost		28%		0%		2%		11%		44%		8%

Note:

We assumed US\$ 1 = Rs. 175/- for Local Share conversion, where actual rate is not available.

Appendix 4

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>Master plan and Detailed Engineering Design prepared. Project awarded in Q4/2020. On-going works.</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>Master plan and Detailed Engineering Design prepared. Project awarded in Q4/2020.</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>Contracts awarded in Nov 2021, WWTP Sialkot commencement issued on 30 April 2022 WWTP Sahiwal issued on 18 June 2022</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. Timely Implementation of LARP		Compensation disbursement in process			
Progress Towards Outcome (For Disclosure to ADB Website)					
Contracts have been awarded for PICIIP-03 Sahiwal WATSAN Lot 1, 2, 3 and 4 & PICIIP-11 Sialkot WATSAN Lot 1, 2, 3 and 4. Work has been started for awarded lots except the LAR affected sites.					

Table A4.2: Update on Output 1

Output 1 Water supply systems improved					
Indicator	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 tube wells, 350 km water pipes installed					<i>Project awarded for water supply of both cities. Works in progress</i>
- Water Reservoir	Number	0	16	-	
- Boreholes/tube wells		0	114	Shw: 1 Skt: 5	
- Water pipes	Kilometers	N/A	350	Shw: 402 Skt: 88	
1b. Percentage of water supply connections that are metered increased (Baseline/Target: both cities 1% to 70% in pilot zone)					<i>ODBM consultant hired. Will finalize the mechanism for metered connections installations.</i>
- Sahiwal	Percent	1	70	-	
- Sialkot		1	70	-	
1c. 600 prepaid water meters in Sahiwal, 800 in Sialkot installed		0	1400		
- Sahiwal	Number	0	600	-	
- Sialkot		0	800	-	
Recent Development (During the Quarter under Report)					
Water Supply and Sanitation Master plans of Sahiwal and Sialkot (including 5 additional UCs of revised Sialkot MC boundary) stand approved. The PC-Is of Sahiwal and Sialkot Water Supply and Sanitation projects were approved by Provincial Development Working Party in Q2/2020. Detailed design of both cities has been completed; projects advertised in Q2/2020 and contracts for water supply awarded in Q4/2020. Works are on-going at project sites.					
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)	Partial		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)	Partial		Preparatory stage	
1.4	Construct new OHRs (Q4 2023)	Partial		Under Execution	
1.5	Rehabilitate existing tube wells and existing OHRs (Q4 2023)	Partial		Under Execution	
1.6	Replace water supply pipelines with polyethylene pipes (Q4 2023)	Partial		Under Execution	
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	Contracts awarded for Sahiwal PICIIP-03 Lot 2, 3 and 4 and for Sialkot (PICIIP-11 Lot 1, 2 and 3. However work cannot commence on disposal sites with LAR impacts till full implementation of LARP.
- Sewer pipes replaced	Kilometers	0	40	Shw: 16 Skt: 14.47	Under Execution
2b. Wastewater treatment plant constructed in Sahiwal and Sialkot (2016 baseline: 0)					
	Yes/No	0	Yes	0	Site handed over; Layout is in progress
Recent Development (During the Quarter under Report)					
Water Supply and Sanitation Master plans of Sahiwal and Sialkot (including 5 additional UCs of revised Sialkot MC boundary), and PC-Is of Sahiwal and Sialkot Water Supply and Sanitation projects stand approved by the competent authorities. Detailed design of both cities has been completed and projects advertised. Contracts have been signed for Sahiwal WATSAN Lots 1, 2 and 3, and Sialkot WATSAN Lots 1, 2 and 3, works have been started as well. Contracts awarded in Nov 2021, WWTP Sialkot commencement issued on 30 April 2022 and WWTP Sahiwal issued on 18 June 2022, however contractor of Sahiwal WWTP is not started the work.					
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	Target achieved	
2.2 Procure solid waste management equipment (Q2 2021)			Partial	Delivery would be completed. Parking sheds to be constructed in both cities. Being redesigned for PC-I revision as 3 rounds of bidding have failed.	
2.3 Provide missing equipment for wastewater management (Q2 2021)			Yes		
2.4 Construct pumping (disposal) stations (Q4 2024)			Not yet due	Contract signed for Sahiwal WATSAN Lot 3 and 4 and for Sialkot WATSAN Lot 3.	
2.5 Replace sewer pipes (Q2 2024)			Partial	Contract signed for Sahiwal WATSAN Lot 1, 2, 3 and 4 and for Sialkot WATSAN Lot 1, 2 and 3.	
2.6 Construct wastewater treatment plant with trunk mains in Sahiwal and Sialkot (Q2 2024)			Partial	Contract Signed.	
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	6	Upgradation of Parks, PICIIP-01/NCB-Works is in progress. Out of four parks in Sialkot city, two are purely for female and children these are Abdul Hakeem and Ladies & Children Park Model town. In both parks, Jogging and walking tracks are allocated only for women. Moreover, an open Gymnasium in Gulshan e Iqbal Park is planned to be outlined that will be surrounded by high and thick trees and specific timing for women will be allocated.
- 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		
- Sialkot	Kilometers	0	4	0	Design stage; advertised
- Sahiwal	kilometers	0	4	0	Design stage; advertised
Recent Development (During the Quarter under Report)					
Works on 6 parks completed, 1 is on-going. Urban Mobility Design and Supervision consultant hired. Designing of remaining components has been carried out.					
Update on Activities					
Activity and Target Completion	Progress (Yes/No/Partial)	Current Status			
3.1 Complete detailed engineering design for public space upgrading (Q3 2019)	Yes	Target achieved for parks			
3.2 Rehabilitate parks and greenbelts in Sahiwal (Q2 2021)	Partial	Completed			
3.3 Rehabilitate parks and greenbelts in Sialkot (Q2 2021)	Partial	3 completed, Work in progress for 1 park			
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	Design completed for green belts, livable model roads and advertised as well. Bus terminal and parking plaza site identification in process			
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	Design completed for signal and grade separator and advertised as well. Bus terminal site identification in process.			
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	Construction of Punjab Local Govt. Academy at Lahore is in progress. Consultancy for capacity development hired in Aug 2021. Completed Situational analysis and training need assessment.
- 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 each city. Communication activities will be organized throughout the course of the project 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 technical and financial management.
- Male		0	32	20	
- Female		0	9	6	
Recent Development (During the Quarter under Report)					
<i>The work on Punjab Local Government Academy Lahore is in Progress and is expected to be completed by March 2023. CB consultancy is working on training and academic design as well as business plan for PLGA.</i>					
Update on Activities					
Activity and Target Completion		Progress (Yes/No/Partial)		Current Status	
4.1 Build capacity of urban services institutions to implement the project effectively (during implementation)		Partial		Project implementation & procurement trainings held. CB consultant is designing training modules for capacity building.	
4.2 Establish project management unit and city implementation units (Q2 2018)		Yes		PMU and CIUs 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		11 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		Tariff policy will be devised and implemented in the cities with the assistance of ODBM consultant	
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)		Partial		Being developed by EPCM consultant.	
4.7 Support the SMART city improvement (Q2 2024)		Partial		Procurement process initiated	
4.8 Provide training and send key staff to external training (Q4 2023)		Yes		Trainings are provided to staff as and when opportunities are provided by ADB and GoPb.	

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). Revisions as per agreements in recent loan review mission will be incorporated in next report after approval of aide memoire.

Table A4.6: 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. ODBM consultants have been hired for preparing plans for sustainable operations.
2. Sanitation systems improved	Cities lack planning and record availability. There are issues in all municipal sectors regarding capacity. Land acquisition for WWTP and disposal stations is in process.	Master plans for 25 years have been prepared for water and sanitation sectors for Sahiwal and Sialkot to avoid political influence on development packages. ODBM consultants have been hired for preparing plans for sustainable operations. 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. IVS consultant is carrying out assessment of land and non-land assets. All 5 LARPs have been approved by ADB SDCC. Revised PC-Is have been approved by PDWP after incorporating the differential / additional costs arising out of the IVS. Grant in aide summary has also been approved by the provincial cabinet for payment of resettlement costs to DPs.
3. Urban Public Spaces Improved	Cities lack planning and record availability. There are issues in all municipal sectors regarding capacity.	UMDS consultants have been hired to prepare land use, urban mobility and SWM master plans.
4. Institutional support and capacity development	Devising the Tors for capacity building consultancy hiring	Capacity building consultants hired. Inception phase ongoing. PMU is working closely with the consultants to support in coordination with relevant stake holders.

Appendix 5

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 - Sialkot	74,000	74,000	PICIIP 03 Lot 1 (Sahiwal): contract has been awarded, work in progress. PICIIP 11 Lot 4 (Sialkot) contract has been awarded, work in progress.
		150,000	50,412	
2	Households with new or improved sanitation (number) - Sahiwal - Sialkot	63,000	63,000	PICIIP 03 Lot 2, 3 and 4 (Sahiwal): contract has been awarded, and work has been started. PICIIP 11 Lot 1, 2 and 3 (Sialkot): contract has been awarded, execution has been started.
		130,000	130,000	
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. Contracts awarded in Nov 2021, WWTP Sialkot commencement issued on 30 April 2022 and WWTP Sahiwal issued on 18 June 2022
4	Water supply pipes installed or upgraded (length of network in kilometers) - Sahiwal - Sialkot	78	78	PICIIP 03 Lot 1 (Sahiwal): contract has been awarded, work in progress. PICIIP 11 Lot 4 (Sialkot) contract has been awarded, work in progress.
		312	261	
5	Households in Sialkot with reduced flood risk (number)	45,000	No direct impact on flood risk reduction. However, the project's interventions will indirectly reduce the risk of storm water stagnation as well as sewage ponding on city roads.	-
6	Use of roads built or upgraded (average daily vehicle-kilometers in the first full year of operation – unit: million vehicle-km) - Sahiwal - Sialkot			Finalization of this indicator is subject to the findings of UMDS Consultants.
		6.79	TBD	
		17.13	TBD	
7	Roads built or upgraded - Provincial, district, and rural roads (kilometers) - Sahiwal - Sialkot			Finalization of this indicator is subject to the findings of UMDS Consultants.
		41	TBD	
		40	TBD	
8	Energy saved (terawatt-hour equivalent per year) - Sahiwal - Sialkot	1.15	0.0004	The project's interventions will cater for the sewage of Zone 3 Sialkot and there will be no electricity saving expected as the existing system is under capacity.
		0.92	-	

Appendix 6

Status of Compliance with Loan Covenants

Covenant	Reference in Loan/Project Agreement	Status of Compliance
<p>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.</p>	<p>Section 3.01 (a), Article III, Loan Agreement (LA)</p>	<p>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.</p>
<p>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.</p>	<p>Section 3.01 (b), Article III, LA</p>	<p>On-going. 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.</p>
<p>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.</p>	<p>Section 3.02, Article III, LA</p>	<p>On-going. The proceeds of the loan are allocated and withdrawn in accordance with the schedule 3 of Loan Agreement. To be monitored throughout project implementation.</p>
<p>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.</p>	<p>Section 3.03, Article III, LA</p>	<p>On-going. To be monitored throughout project implementation.</p>
<p>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 agreed between the borrower and ADB.</p>	<p>Section 3.04, Article III, LA</p>	<p>Complied with. The loan closing date is intact so far.</p>

Covenant	Reference in Loan/Project Agreement	Status of Compliance
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	On-going. 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	On-going.
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	On-going.
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	On-going.
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	On-going.
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	On-going.
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 finance 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 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.	Para 5, Schedule 3 to LA	Complied with. PKR 15.948 million reimbursed to provincial treasury through Withdrawal Application through retroactive financing.

Covenant	Reference in Loan/Project Agreement	Status of Compliance
<p>14. Conditions of withdrawals from Loan Account 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 proceeded with hiring of a firm for internal audit in August 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>On-going. 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 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.</p>	<p>Para 2, Schedule 4 to LA</p>	<p>On-going. All procurement is being made in accordance with this covenant.</p>
<p>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.</p>	<p>Para 3, Schedule 4 to LA</p>	<p>Complied.</p>

Covenant	Reference in Loan/Project Agreement	Status of Compliance
<p>Goods and Works</p> <p>18. Goods and works shall be procured on the basis of the procurement methods set forth below;</p> <p>(a) International Competitive Bidding (b) National Competitive Bidding; and (c) Shopping</p>	<p>Para 4, Schedule 4 to LA</p>	<p>On-going.</p>
<p><u>National Competitive Bidding</u></p> <p>19. The borrower and ADB shall ensure that, prior to the commencement of any procurement activity under national competitive bidding, the borrowers 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.</p>	<p>Para 5, Schedule 4 to LA</p>	<p>On-going.</p>
<p><u>Conditions for Award and contract</u></p> <p>20. Punjab shall not award any Works contract which involves environment impacts until;</p> <p>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.</p>	<p>Para 6, Schedule 4 to LA</p>	<p>On-going. To be monitored until award of all civil works contracts.</p>
<p>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.</p>	<p>Para 7, Schedule 4 to LA</p>	<p>On-going. To be monitored until award of all civil works contracts.</p>
<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 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</p>	<p>Para 8, Schedule 4 to LA</p>	<p>On-going. To be monitored until award of all civil works contracts.</p>

Covenant	Reference in Loan/Project Agreement	Status of Compliance
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.		
Consulting Services 23. Except as set forth in the paragraph below, the Borrower shall apply Quality-and Cost-Based Selection for Consulting Services.	Para 9, Schedule 4 to LA	On-going. To be monitored until award of all consulting services contracts.
24. The Borrower shall apply the following selection method for the specified consulting services, in the accordance with, among other things, the procedures set forth in the Procurement Plan: Least-Cost Selection for the audit and finance Consulting Services.	Para 10, Schedule 4 to LA	On-going. To be monitored until hiring of all consulting services.
25. Industrial and Intellectual property Rights (a) The Borrower shall ensure that all Goods and Works procured (Including without limitation all computer hardware, software and systems, whether seperately procured or incorporated within other goods and services procured) do not violate or infringe any industrial property or intellectual property right to claim of any third party. (b) The Borrower shall ensure that all Contracts for the procurement of Goods and 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	Para 11, Schedule 4 to LA	On-going. To be monitored until all contracts are awarded.
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.
ADB's Review of Procurement Decisions 27. Contracts procured under International competetive bidding procedured and contracts for consulting services shall be subject to prior review by ADB, unless otherwise agreed between the borrower and ADB and set forth in the Procurement Plan.	Para 13, Schedule 4 to LA	On-going. 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 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.

Covenant	Reference in Loan/Project Agreement	Status of Compliance
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.
<u>Implementation Arrangements</u>		
31. The Borrower, Punjab, Sialkot, Sahiwal shall ensure the project is implemented in accordance with the detailed arrangements set forth in the PAM. Any subsequent change to the PAM shall become effective only after the approval of such change the Borrower and ADB. In the event of any discrepancy between the PAM, on the one hand, and this Loan Agreement and the Project Agreement, on the other, the provisions of this Loan Agreement and the Project Agreement shall prevail.	Para 1, Schedule 5 to LA	On-going.
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. EPCM consultant was hired in April 2018.
<u>Environment</u>		
33. The borrower shall ensure and cause Punjab, Sialkot and Sahiwal to ensure that the Preparation, design, construction, implementation, Operation and decommissioning of the project and all project facilities comply with (a) all applicable laws and regulations of the Borrower relating to environment, health and safety; (b) the environmental Safeguards; and (c) all measures and requirements set forth in the IEEs, the EMPs, and any corrective or preventative actions set forth In a Safeguard monitoring report.	Para 3, Schedule 5 to LA	On-going. 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, environmental monitoring is being conducted for ongoing projects.

Covenant	Reference in Loan/Project Agreement	Status of Compliance
<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 resettlements Safeguards; (c) the RF; (d) all measures and requirements set forth in the RPs, and any corrective and presentative actions set forth in a Safeguards monitoring Report. For the avoidance of doubt, the Borrower shall ensure and cause Punjab, Sialkot and Sahiwal to ensure that no land is required, for the purposes of the Punjab, under the emergency provisions of the Borrower's Land Acquisition Act (1894), as amended from time to time.</p>	<p>Para 4, Schedule 5 to LA</p>	<p>On-going. To be monitored throughout the project period.</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>On-going. 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>On-going. To be monitored throughout preparation and implementation of works packages.</p>

Covenant	Reference in Loan/Project Agreement	Status of Compliance
<p><u>Indigenous People</u> 37. The Borrower shall ensure and cause Punjab, Sialkot and Sahiwal to ensure that the project does not have any indigenous peoples impact within the meaning of the safeguard policy 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>
<p><u>Human and Financial Resources to Implement Safeguard Requirements.</u> 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>	<p>Para 8, Schedule 5 to LA</p>	<p>On-going. 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> 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> <ul style="list-style-type: none"> (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; (b) Make available to budget for all such environmental and social measures; (c) Provide to Borrower with the written notice on any unanticipated environmental and resettlements risks or impacts that arise during the construction, implementation or operation of the project that were not considered in the relevant IEE. EMP and RP; (d) adequately record the condition of roads, agricultural land and other infrastructure prior to starting to transport materials and construction; and (e) reinstate pathways, other local infrastructure, and agricultural land to at least their pre-project condition upon the completion of project. 	<p>Para 9, Schedule 5 to LA</p>	<p>On-going To be monitored until award of all works contracts.</p>
<p><u>Safeguards Monitoring and Reporting</u> 40. The Borrower shall cause Punjab to do the following;</p> <ul style="list-style-type: none"> (a) The submit semi-annual Safeguards Monitoring Reports to ADB and disclose relevant information from such Reports to affected persons promptly upon submission; (b) If any unanticipated environmental and/or social risks and impacts arise during the construction, implementation or operation of the project that were not the considered in 	<p>Para 10, Schedule 5 to LA</p>	<ul style="list-style-type: none"> (a) Being complied with. (b) Being complied with. (c) External monitor social safeguard expert has been hired through firm. Regular monitoring reports being submitted to ADB. (d) Being complied with.

Covenant	Reference in Loan/Project Agreement	Status of Compliance
<p>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 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><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. 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 complied 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 use 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>On-going. To be monitored throughout project period.</p>
<p>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.</p>	<p>Para 13, Schedule 5 to LA</p>	<p>On-going.</p>
<p><u>Gender 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</p>	<p>Para 14, Schedule 5 to LA</p>	<p>On-going. To be monitored throughout the project period. Details are in Appendix 9.</p>

Covenant	Reference in Loan/Project Agreement	Status of Compliance
<p>on implementation on the GAP, including progress towards achieving 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) at least 1 commercial space is 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 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>		
<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>	<p>Para 15, Schedule 5 to LA</p>	<p>Complied with. Counter Part funds for land Acquisition for Sahiwal and Sialkot WWTP have been released and utilized efficiently to acquire the land for WWTPs in both cities. Counterpart funds were sufficiently available to the extent of FY 2020-2021. Further, Govt. has also approved the 2nd revised PC-Is of land acquisition of both cities. Summary for grant in aid for payment of resettlement costs to DPs is also under approval process.</p>
<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 satisfaction and construction norms satisfactory to ADB, and construction supervision, Quality control and contract management are performed in accordance with international standards.</p>	<p>Para 16, Schedule 5 to LA</p>	<p>On-going.</p>

Covenant	Reference in Loan/Project Agreement	Status of Compliance
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. (c) that the USCs have adequate enforcement mechanisms to collect service fees and penalize defaulters in order to improve collection efficiency, deter non-payment and ensure sustainability of operations; and (d) that the USCs duly and timely carry out the actions indicated to be carried out by them in the financial sustainability action plan set out in the PAM.	Para 18, Schedule 5 to LA	Not yet due.
51. The Borrower shall ensure and 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; (b) sale, transfer, or assignment of any interest or control in any asset, facility or	Para 19, Schedule 5 to LA	On-going. To be monitored throughout the project implementation.

Covenant	Reference in Loan/Project Agreement	Status of Compliance
<p>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 paragraph, 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>Governance and Anticorruption 52. The Borower, Punjab, Sialkot and Sahiwal shall (a) comply with ADB’s Anticorruption policy (1998, as amended to date) and acknowledge that ADB reserves the right to investigate directly, or through its agents, any alleged corrupt, fraudulent, collusive or coercive practice relating to the project; and (b) cooperate with any such investigation and extend all necessary assistance for the satisfactory completion of such investigation.</p>	<p>Para 20, Schedule 5 to LA</p>	<p>On-going. To be monitored throughout the project implementation.</p>
<p>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.</p>	<p>Para 21, Schedule 5 to LA</p>	<p>Complied with. To be monitored until all contracts are awarded.</p>
<p>54. The Borrowers shall cause Punjab to provide updated information on the project on its website, including information on the prformance of the project, business opportunities, bidding pocess and guidelines, outcome of biddings and summary progress reports.</p>	<p>Para 22, Schedule 5 to LA</p>	<p>On-going.</p>
<p>55. Punjab shall, and shall ensure cause Sialkot and Sahiwal to, carry out the project with due dilligence and efficiency, and in confirmity with sound applicable technical, financial business, and development practices.</p>	<p>Section 2.01 (a), Article II to Project Agreement (PA)</p>	<p>On-going. To be monitored throughout project implementation.</p>
<p>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.</p>	<p>Section 2.01 (b), Article II to PA</p>	<p>On-going. To be monitored throughout project implementation.</p>

Covenant	Reference in Loan/Project Agreement	Status of Compliance
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	On-going. 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 furnishd, to ADB, promptly after their preparation, such plans, design standards, specifications and work schedules, and any material notifications subsequently made therein, in such detail as ADB shall reasonably request.	Section 2.04, Article II to PA	On-going. 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 facilities to such extent and against such risks and in such amounts as shall be consistent with sound practice.	Section 2.05 (a), Article II to PA	Not yet due. No project facility has so far been created.
62. Without limiting the generality of the foregoing, Punjab shall cause Sialkot and Sahiwal to insure, or cause to be insured, the Goods to be imported for the Project against hazardous incident to the acquisition, transportation and delivery thereof to the place of use or installation, and for such insurance any indemnity shall be payable in a currency freely usable to replace or repair such Goods.	Section 2.05 (b), Article II to PA	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 peoject, to record the progress of teg projec (including the cost thereof) and to reflect, in accordance with consistently maintained sound accounting principles, its operations and financial condition.	Section 2.06, Article II to PA	On-going. To be monitored throughout project implementation. An audit and finance consultant firm has also been hired to monitor implementation.

Covenant	Reference in Loan/Project Agreement	Status of Compliance
64. ADB and Punjab shall cooperate fully, and Punjab shall cause Sialkot and SAhiwal to cooperare fully, to ensure that the purposes of the Loan will be accomplished.	Section 2.07 (a), Article II to PA	On-going. To be monitored throughout project implementation.
65. Punjab shall, and shall cause Sialkot and Sahiwal to, promptly inform ADB of any condition which interfere with, or threatens to interfere with, the progress of the Project; the performance of their obligations under the Project Agreement, the subsidiary Loan Agreement or the Punjab Grant Agreement, as the case may be; or the accomplishment of the purposes of the Loan.	Section 2.07 (b), Article II to PA	
66. ADB and Punjab, shall from time to time, and Punjab shall cause Sialkot and Sahiwal to from time to time, at the request of any party, axchange view through their representative with regard to any matters relating to the project Punjab, Sialkot, Sahiwal and the Loan.	Section 2.07 (c), Article II to PA	
67. Punjab shall, and shall cause Sialkot and sahiwal to, furnish to ADB all such reports and information as ADB shall reasonably request concerning (i) the Loan and the expenditure of the proceeds thereof; (ii) the items of expenditure financed out of such proceeds; (iii) the project; (iv) the administration , operations and financial cond ition of the punjab, Sialkot and Sahiwal; and (v) any other matters relating to the purpose of the Loan.	Section 2.08 (a), Article II to PA	On-going. To be monitored throughout project implementation.
68. Without limiting the generality of the foregoing, Punjab shall, and shall cause Sialkot an Sahiwal to, furnish to ADB periodic reports on the execution of the project and on the operation and the management of the project facilities, Such reports shall be submitted in such form and in such detail and within such a period as ADB shall reasonably request, and shall indicate, among other things, progress made and problem encountered during the period under review, steps taken or proposed to be taken to remedy these problems, and proposed program of activities and expected progress during the following period.	Section 2.08 (b), Article II to PA	On-going.
69. Promptly after physical completion of the Project, but in any event not later than 3 months thereafter or such later date as ADB may agree for this purpose, Punjab shall prepare and furnish to 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	Article II, Section 2.09 (a), PA	On-going

Covenant	Reference in Loan/Project Agreement	Status of Compliance
<p>(i) prepare annual financial statements for the Project in accordance with financial reporting standards acceptable to ADB;</p> <p>(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;</p> <p>(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.</p>		An audit and finance consultant firm has also been hired to monitor implementation.
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	On-going. APFS are being submitted and disclosed periodically.
72. Upon ADB's request, Punjab shall enable ADB to discuss the financial statements for the Project, and Punjab shall, and shall cause Sialkot and Sahiwal to, enable ADB to discuss their financial affairs where they relate to the Project, with the auditors appointed by Punjab pursuant to subsection (a) (iii) hereinabove, and shall authorize and require any representative of such auditors to participate in any such discussions requested by ADB. This is provided that such discussions shall be conducted only in the presence of an authorized officer of Punjab, Sialkot and/or Sahiwal (as the case may be), unless Punjab, Sialkot and/or Sahiwal (as the case may be) shall otherwise agree.	Article II, Section 2.09 (c), PA	On-going.
73. Punjab shall, and shall cause Sialkot and Sahiwal to, enable ADB's representatives to inspect the Project, the Goods and Works and any relevant records and documents.	Article II, Section 2.10, PA	On-going. To be monitored throughout project implementation.

Covenant	Reference in Loan/Project Agreement	Status of Compliance
<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.</p> <p>(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.</p> <p>(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>On-going. 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>On-going. To be monitored throughout project implementation.</p>
<p>76. Except 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.</p>	<p>Article II, Section 2.13, PA</p>	<p>On-going. To be monitored throughout project implementation.</p>
<p>77. Except 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.</p>	<p>Article II, Section 2.14, PA</p>	<p>On-going.</p>
<p>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</p>	<p>Article II, Section 2.15, PA</p>	<p>On-going. To be monitored throughout project implementation.</p>

Covenant	Reference in Loan/Project Agreement	Status of Compliance
<p>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.</p>		
<p>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 this Project Agreement, on the other, the provisions of the Loan Agreement and this Project Agreement shall prevail.</p>	<p>Para 1, Schedule to PA</p>	<p>On-going. To be monitored throughout project implementation.</p>
<p>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.</p>	<p>Para 2, Schedule to PA</p>	<p>Complied with.</p>
<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 measures 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>On-going. 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 the 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 resettlements; (b) the involuntary resettlements Safeguards; (c) the RF; and (d) all measures and requirements set forth in the RPs, and any corrective or 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</p>	<p>Para 4, Schedule to PA</p>	<p>On-going. To be monitored throughout project implementation.</p>

Covenant	Reference in Loan/Project Agreement	Status of Compliance
<p>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>83. Without limiting the application of 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 any water supply, sanitation, 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 to PA</p>	<p>On-going. 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 resettlements Safeguards and the RF, Punjab (through the LG&CD Department) shall further ensure and cause Sialkot and Sahiwal to further ensure that, for each water supply, 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>Para 6, Schedule to PA</p>	<p>On-going. To be monitored throughout project implementation.</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>

Covenant	Reference in Loan/Project Agreement	Status of Compliance
<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 rproject that were not considered in the relevant IEE, EMP and RP; d) adequately record the condition of roads, agricultural land and other infrastructure prior to starting the transport materials and construction; and e) reinstate pathways, other local infrastructure, and agricultural land to all least their pre-project condition upon the completion of construction. 	<p>Para 9, Schedule to PA</p>	<p>On-going. To be monitored throughout project implementation.</p>
<p>88. Punjab (through the LG&CD Department) shall do the following:</p> <ul style="list-style-type: none"> a) Submit semi-annual Safeguards Monitoring Reports to ADB and disclose relevant information from such reports to affected persons promptly upon submission; b) If any unanticipated environmentals and/or social risks and impact arise during the construction, implementation or operation of the Project that were not considered in any IEE, EMP or RP, promptly inform ADB of the occurance of such risks or impacts, with detailed description of the event and proposed corrective action plan; c) No later than 1 January 2018, engage qualified and experienced external experts or qualified NGOs under a selection process and terms of reference acceptable to ADB, to verify information produced through the Project Monitoring Process, and facilitate the carrying out of any verification activities by such external experts; and d) Report any actual or potential breach of compliance with the measures and requirements set forth in an EMP or RP promptly after becoming aware of the breach. 	<p>Para 10, Schedule to PA</p>	<p>(a) Being complied with. (b) Being complied with. (c) Complied with. (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</p>	<p>Para 11, Schedule to PA</p>	<p>On-going.</p>

Covenant	Reference in Loan/Project Agreement	Status of Compliance
any activity included in the list of prohibited investment activities provided in Appendix 5 of the SPS.		To be monitored throughout the Project implementation.
90. Labor Standards, Health and Safety: Punjab shall cause Sialkot and Sahiwal to ensure that the core labor standards and the Borrower’s applicable laws and regulations are complied with during Project implementation. Punjab (through LG&CD Department) shall include specific provisions in the bidding documents and contracts financed by ADB under the Project requiring that the contractors, among other things: (a) comply with the Borrower’s applicable labor law and regulations and incorporate applicable workplace occupational safety norms; (b) do not use child labor (c) do not discriminate workers in respect of employment and occupation; (d) do not used forced labor; (e) allow freedom of association and effectively recognize the right to collective bargaining; and (f) disseminate, information on the risks of sexually transmitted diseases, including HIV/AIDS, to the employees of contractors engage under the Project and to members of the local communities surrounding the project area, particularly women.	Para 12, Schedule to PA	On-going. To be monitored throughout project implementation.
91. Punjab shall cause Sialkot and Sahiwal to strictly monitor compliance with the requirements set forth in paragraph 12 above and provide ADB with regular reports.	Para 13, Schedule to PA	On-going. To be monitored throughout project implementation.
92. Gender and Development: 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 provisio of diaper changing stations are installed and all bus terminals rehabilitated under the project; (ii) at least 1 commercial apace is allocate to female vendor in (or near) each bus teminal 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 nd 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 disaggregated by gender.	Para 14, Schedule to PA	On-going.

Covenant	Reference in Loan/Project Agreement	Status of Compliance
<p>93. Counterpart Support: Punjab shall make available adequate counterpart funds and other resources in addition to the proceeds of the Loans, and have such counterpart funds and resources released in a timely manner, for the successful implementation of the Project.</p>	<p>Para 15, Schedule to PA</p>	<p>Complied with. Counterpart funds amounting to Rs. 300.00 million have been released.</p>
<p><u>Operational/Sector Performance Convenants</u></p>		
<p>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, and construction supervision, quality control and contract management are performed in accordance with international standards.</p>	<p>Para 16, Schedule to PA</p>	<p>On-going. To be monitored throughout project implementation</p>
<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 apolicy for annual inflation-linked increases in water and wastewater tariffs, and implementation of volumatric water tariffs for all mater connections. All key actions shall be completed within the time frames indicated in the financial sustainability action plan.</p>	<p>Para 17, Schedule to PA</p>	<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</p>	<p>Para 18, Schedule to PA</p>	<p>On-going</p>

Covenant	Reference in Loan/Project Agreement	Status of Compliance
<p>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>		
<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 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>On-going. To be monitored throughout the Project implementation.</p>
<p><u>Governance and Anticorruption</u></p> <p>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>On-going. 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>On-going. To be monitored throughout the Project implementation.</p>

Covenant	Reference in Loan/Project Agreement	Status of Compliance
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.	Para 22, Schedule to PA	On-going. LG&CD's website provide reports on the project performance and outcome of bidding and summary progress reports. Apart from this, a dedicated website for PICIIP has also being maintained.

Appendix 7

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	BOR	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	4-Mar-21	LARP 1 approved by ADB SDCC.
LARP 2		WATSAN Sahiwal Lot 4: South Zone pumping station	Deputy Commissioner Sahiwal		4.09		41	Section 11 enforced	18-Nov-20 Awarded	01-Apr-21
LARP 3	PICIIP-11- WATSAN Sialkot	Lot 3: Pumping Station	Commissioner GRW	Total Package: \$39.01 Mil (Lot 3: \$9.4 Mil)	2.06	428	Section 11 enforced	07-Jan-21 Awarded	15-June- 21	LARP 3 approved by ADB SDCC.
LARP 4	PICIIP-8-WWTP Sahiwal		BOR	\$6.3 Mil	196	142	Section 11 enforced	26-Oct-20 Awarded		LARP 4 approved by ADB SDCC
LARP 5	PICIIP-12- WWTP Sialkot	Sialkot WWTP 154 Acres of already demarcated land	BOR	\$12.15 Mil	238	1020	Section 11 enforced	12-Nov-20 Awarded		LARP 5 approved by ADB SDCC
		Sialkot WWTP (84 Acres) of additional land	BOR				Section 11 enforced	05-Mar-21 Awarded		

Update on Financial Management and Sustainability Action Plans

Table A8.1: Update on Financial Management Action Plan

Risks	Actions	Responsibility	Timing	Status of Compliance
Staffing Risk – Adequate financial management staff need to be approved, recruited, and fielded in the PMU and CIUs.	<p>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.</p> <p>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.</p>	PMU and CIUs	Q4 2017, to be continued for project duration	Full finance staff available as approved in 1 st revised PC-1 of PMU and CIUs establishment of PICIIP.
Compliance Risk – Project financial management policies and procedures / financial covenants of the legal agreement are not fully followed.	<p>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.</p> <p>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.</p>	<p>AGP LG&CD Department PMU, CIUs in both cities</p>	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.	<p>AGP LG&CD Department Punjab Finance Department</p>	Q4 2017, to be continued for project duration	<p>An Internal Auditor was appointed in June 2018, after approval of ADB, before disbursements started.</p> <p>Audit and Finance consultant firm hired and mobilized since Aug 2021.</p>

Risks	Actions	Responsibility	Timing	Status of Compliance
<p>Financial and Operational Risk – PMU setup under LG&CD Department and CIUs in both MCs are new, with fully competent staff under recruitment. There may be operational issues and they would need guidance.</p>	<p>PMU and CIUs staff will be recruited early and trained.</p>	<p>LG&CD Department PMU</p>	<p>Q4 2017</p>	<p>Training of finance and accounts staff on financial management was conducted.</p>
<p>PMU and CIU staff do 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 CIUs are following PIFRA chart of accounts however, the accounting is done in Excel – not in a fully automatic computer software.</p> <p>In the revised PC1 for the Establishment of PICIIP, budget has been proposed 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</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>Complied</p>

Risks	Actions	Responsibility	Timing	Status of Compliance
	released to the project in one installment each year.			
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 regularly.

Table A8.2: Update on Financial Sustainability Action Plan

Sr.#	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. ODBM consultant has been hired who will conduct this survey.
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. ODBM consultant hired who will conduct these workshops.
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. ODBM Consultant hired, who will draft this policy.
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 by ODBM consultant.
5	Endorse the tariff policy and guidelines.	Municipal Corporation Municipal Corporations with CIUs support	September 2018	PICIIP Con_03 (Procurement Plan)	Pending. Will be done by ODBM consultant.
6	Start water meters installation (Output 1 of the design and monitoring framework)	CIUs with PMU support	Start June 2018	PICIIP-06-WATER METERS (Procurement Plan - goods)	Pending. Will be done by 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	PICIIP Con_03 (Procurement Plan)	Pending. Will be planned by ODBM consultant and will be achieved by 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	PICIIP Con_03 (Procurement Plan)	Pending. Will be planned by ODBM consultant
9	Implement volumetric water and wastewater tariff, for all prepaid and post-paid meter connections.	Municipal Corporations with CIUs and ODBM consultants	June 2019 Progressively for all users of pre- and post-paid meters	PICIIP Con_03 (Procurement Plan)	Pending. Will be done after preparation of policy by ODBM consultant
10	Expand coverage of meters (pre- and post-paid) along with volumetric tariff among the population of both cities	Municipal Corporations with CIUs and ODBM consultants	Q1 2020	Progressively, expand at the rate of 15% of consumers each year	Pending. Will be done after preparation of policy by ODBM consultant

¹ ADB. 2014. *Technical Assistance to Pakistan for Punjab Intermediate Cities Improvement Investment Program*. Manila. 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	Progress to date
Outcome: Improved access to quality urban services by the residents of Sahiwal and Sialkot cities			
Outputs 1 and 2: Water supply and sanitation systems improved			
1/2.1 Ensure the installation of water meters to households in Sahiwal and Sialkot	15,000 metered water connections in Sahiwal and Sialkot.	PMU CIUs	<p>This indicator is linked with ODBM firm who will plan the installation of water meters. The firm is hired since Q3, 2021. It has completed the Situational Analysis and willingness to pay survey. They will submit report to PMU in July, 2022.</p> <p>Two Consultative Workshops & training sessions related to willingness pay surveys were done in both Cities (Sialkot & Sahiwal) in this quarter. According to them, 35% to 40% were women in these workshops. 5% of Women were respondents in the Willingness to Pay (WTP) Surveys but most of them did not respond directly and their responses were gathered indirectly from their brothers or husbands.</p> <p>Water Meters plan will be based on socio-economic status of the groups primarily income and on the quality of infrastructure in the locality and Willingness to install meters as received through WTP Survey. They will ensure women headed households' participation in installation of water meters if found them as per their plan.</p> <p>The TORs of ODBM firm were reviewed and gender perspective was included by gender unit in Q3, 21 while in Q4, 21 Gender Unit conducted meeting with the Firm.</p>
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	<p>This activity is completed in Q3, 2020. Following is the detail for reference: Six FGDs were conducted in 3rd quarter of 2020 as public consultations. Selection criteria for UCs and participants were developed with mutual consent of PMU, CIU and gender team. A total of 76 men and women participated in these FGDs out of which 61% are women.</p> <p>Detailed reports of public consultations have been already submitted in 4th quarter of 2020 to ADB.</p>

Activities/ Measures	Indicators / Targets	Responsibility	Progress to date
			<p>Beyond GAP Activities: Ensuring women’s participation in different aspects of the project, the consultation with them is a continuous process.</p> <ul style="list-style-type: none"> Under social safeguard component, 2 Consultation meetings for mobilization of DPs to receive payment vouchers for land acquisition were conducted in Sahiwal by 4 CIU staff members in which 3 were female officers. 1 female surveyor attended the meeting, conducted by social safeguard officer regarding execution of survey training for the 23 female DPs for their skill development program. While 4 consultation meetings were conducted in Sialkot with total 35 DPs of LARP-5 among them 2 were females. Brief reports are attached as Annex 01.
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	<p>Trained WASH Focal Persons:</p> <ul style="list-style-type: none"> The activity is completed in Q4 2020. Following details are given as reference: A training manual on Urban WASH was developed in Q3, 2020 to train the selected focal persons. The manual is submitted to ADB in Q4 20. The criteria for selection of focal persons were developed and shared with PMU and ADB before selecting them. Subsequently, 2 days’ virtual training of focal person/ community leaders were conducted in Q4 20. The training was virtually organized due to COVID- 19 situation. Total 21 people from both cities participated in the training, in which 10 (48%) were women. Another one-day training was conducted in Q4, 21 to train the newly identified focal persons. The training was conducted virtually. Total 10 people trained in the training from both cities. In which 6 (60%) were women. One separate virtual session on MHM & Breast cancer

Activities/ Measures	Indicators / Targets	Responsibility	Progress to date
			<p>awareness was conducted with female WASH focal persons of both cities in Q4, 21. Reports were shared with PMU & ADB in Q4, 21.</p> <p>WASH related training in communities:</p> <ul style="list-style-type: none"> Total 03 awareness raising sessions on Urban WASH were organized in both cities during Q2, 2022 in 3 different communities (2 in Sahiwal, 1 in Sialkot). Total 53 participants attended the sessions with 100% women & girls. A continuous backstopping and support were given to focal persons by Gender Unit during this process. The Gender team also monitored the events for quality assurance. Reports are attached as Annex 02. <p><u>Beyond the GAP</u> <u>Other Gender-related Initiatives/ Activities:</u></p> <p>For the celebration of World Health Day, Gender Unit Sialkot did plantation of flowers in Abdul Hakeem Ladies and Children Park (PICIIP's rehabilitated) to elevate the positive impact on beneficiaries' mental health and wellbeing, reducing stress and making the view esthetically more pleasant. Report is attached as Annex 03.</p> <p>To mark World Food Safety Day, Gender Unit Sialkot organized an awareness creating session with 50 students, trainers and head at Technical Education and Vocational Training Authority for women (TEVTA). Report is attached as Annex 04.</p>
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). At least 25% female participants in grievance 	PMU CIUs Urban Services Companies	This activity is connected with the SMART City component. The Smart Cities Development Specialist (SCDS) (consultant) has been started its activities since Q4 2020. During the stakeholders' consultations, need assessment and situation analysis, Complaints (Grievance) Management System for the MC services had emerged as one of the priorities. In next step towards developing grievance redress mechanism, firm hiring is in process. However, the TORs of Smart City Implementation firm were

Activities/ Measures	Indicators / Targets	Responsibility	Progress to date
	redress meetings/consultations.		reviewed, and gender perspective was incorporated by gender unit in Q3, 21.
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%) city parks rehabilitated/constructed, have allocated a safe "women's space" for sports, recreational, or other activities participated in by majority women. • At least one outdoor space for women's sports. 	PMU CIUs	<p>The number of parks were revised during MTR in November-December 2020. As per revised numbers, total 7 parks were finalized for both cities (4 in Sialkot and 3 in Sahiwal). Parks have gender features and specific facilities for women.</p> <p>Out of four parks in Sialkot city, two parks (Abdul Hakeem Park and Ladies & Children Park Model Town) are especially for women and children. All 4 parks have separate washrooms for women, ramps for the people with disabilities, separate jogging & walking tracks for women, security room, security cameras and gazebos. Moreover, an open Gymnasium in Gulshan-e-Iqbal Park is planned to be outlined that will be surrounded by high and thick trees and specific timings for women will be allocated. It will help the women to equally benefit from the facility. The work on this facility has been started in February 2021.</p> <p>Anti-sexual harassment messages have also been installed in three inaugurated parks of Sialkot.</p> <p>Physical progress of Gulshan-e-Iqbal Park is 77.2%. Abdul Hakeem Ladies Park, Ladies & Children Park Model town and Fort Park have been completed and handed over to Parks and Horticulture Authority (PHA) and inaugurated on 3rd July 2021, 10th July 2021 and 16th October 2021 respectively by the highest taxpayer females and male of Sialkot. Gender unit Sialkot frequently visits inaugurated parks and always found the beneficiaries satisfied.</p> <p>All three parks in Sahiwal are complete and handed over to PHA September 2021. The gender features in these parks are as follows: separate washrooms for women, ramps for the PWDs at washrooms, jogging & walking tracks, security room, CCTV surveillance system, sufficient lights, children play area and anti-sexual harassment</p>

Activities/ Measures	Indicators / Targets	Responsibility	Progress to date
			<p>messages which were proposed by gender unit Sahiwal.</p> <p>Interviews of 3 female beneficiaries of Farid Town, Park-Sahiwal were also conducted, they were satisfied with gender friendly features in park and seemed happy.</p> <p>During first year after handing over, the existing contractor who is hired by National Engineering Services Pakistan (NESPAK) is responsible for maintaining green infrastructure and PHA will be responsible for the rest of the facilities in all parks in both cities. Afterwards PHA will manage to ensure cleanliness and efficient functioning of facilities.</p>
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	<p>This activity is linked with the Urban Mobility Design and Supervision (UMDS) consultant firm which was hired and mobilized in June 2021.</p> <p>The firm has submitted the proposal of bus terminals for Sahiwal city and it has been approved. Proposal for Sialkot city is in approval phase, simultaneously firm is working on detail designing of these projects.</p>
3.3 Ensure ease of access to, and safety of women, children, elderly, and persons with disabilities on the pedestrian footpaths to be constructed/ rehabilitated	<ul style="list-style-type: none"> • Pedestrian footpaths include sufficient lighting, appropriate directional signs in local language, and access ramps for wheelchairs and prams. 	PMU CIUs	<p>The Urban Mobility Design and Supervision (UMDS) consultant firm's proposed project has approved for Shahab Pura Road, Sialkot and also for various roads of Sahiwal to make them livable model roads. Firm has also started working on detail designs. The TORs of UMDS were reviewed and gender perspective was included by gender unit in Q3, 21. In Q4, 21 Gender Unit also conducted meeting with the UMDS Consultant Firm for coordination and orientation about gender elements integrated in their TORs.</p>

Activities/ Measures	Indicators / Targets	Responsibility	Progress to date
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	<p>The work on given indicator relates to Capacity building firm which was hired in September 2021. The firm has completed the TNA and submitted the report to PMU. Report is attached as Annex 05. During TNA, they have tried their best to include available female staff of Local government departments. According to them all public servants are important for the functioning of the LGs, the participation in the training needs assessment (TNA) was higher for staff with higher levels and in technical and supervisor positions to focus the training on high-impact jobs. Their team visited the office of each respective institution to conduct the TNA. TNA workshops were conducted in each targeted city where staff members from the selected job roles participated. In total, 269 staff members, including nine (3.35%) females, filled out the questionnaire. The female staff belong to the management roles in the finance, regulation, planning, and architecture wing of the MCs, DCs. In contrast, there were no females in the infrastructure and services wing of the MCs and DCs. In addition to MCs and DC, female staff also belong to deputy and assistant director local government positions of DG LG&CD, and assistant director position of Punjab Local Government Academy (PLGA). Most female staff were new and recruited during the last 2-3 years. Designing of capacity building programs are in process. The firm has commenced consulting and preparing capacity development materials and incorporating gender considerations in its approach. TORs of the firm were also reviewed, and gender perspective was included by Gender Unit in Q3, 21. In Q4, 21 Gender Unit also conducted meeting with the Capacity Building Consultant Firm for coordination and orientation about gender elements integrated in their TORs.</p>
4.2 Ensure participation of	<ul style="list-style-type: none"> • At least 10% female participants in technical 	PMU CIUs	Currently 14 female staff are working in PMU and CIUs at different positions. 13 (93%)

Activities/ Measures	Indicators / Targets	Responsibility	Progress to date
female technical and financial management staff in trainings	and financial management trainings conducted for staff of PMU, CIUs, and Urban Services Companies.		females have received technical and financial trainings organized by ADB, PMU and other institutions till to date. The capacity building firm has organized stakeholders' workshop at the end of June, 2022 for the capacity building of LG & CD Department. 4 females from PMU have also attended the one-day workshop. The urban services companies will create the capacity building opportunities for female staff. Creation of urban services companies is awaiting report of ODBM consultant on their need. ODBM consultants have been mobilized.
4.3 Ensure the regular collection of sex-disaggregated data and reporting of GAP implementation results	<ul style="list-style-type: none"> • Project management information system includes gender indicators and regularly populated with sex-disaggregated data. • Project progress reports include a section on GAP implementation. 	PMU CIUs	<p>Collection and reporting of GAP implementation results are being done regularly and submitted to ADB on quarterly bases. A GAP progress tracking sheet is developed and updated regularly to gauge progress against GAP indicators. See Annex 06.</p> <p>A system to collect sex-disaggregated data under GAP has been developed to integrate into PICIIP's MIS. It is submitted in Q4 2020.</p> <p>5 qualitative data collection tools were developed in Q2 2021. 5 case studies/success stories (3 from Sahiwal, 1 from Sialkot and 1 from PMU) have been written and reported in Q3, 21.</p>
4.4 Ensure significant women's participation in customer satisfaction surveys	<ul style="list-style-type: none"> • 50% women respondents in customer satisfaction surveys. • Report on customer satisfaction is sex-disaggregated. 	PMU Urban Units Urban Services Companies	This component will be started after completion of water and sanitation schemes and provision of other urban services in both cities. The implementation of water and sanitation projects in Sahiwal and Sialkot are in process.
4.5 Hire a social and gender specialist in the PMU	<ul style="list-style-type: none"> • GAP implementation carefully monitored and gender results are reported in progress reports and project completion report. • Qualitative information on how the project has positively impacted 	PMU	<ul style="list-style-type: none"> • Social safeguard Specialist and Gender Specialist were hired in April 2020. In addition to this, one Deputy Director Social Safeguard, two Research Analysts Gender and one Research Analyst Social Safeguard in both CIUs. • Careful monitoring of GAP implementation is a continuous process of gender team.

Activities/ Measures	Indicators / Targets	Responsibility	Progress to date
	women's lives, gathered and recorded.		<p>The progress reports are generated and submitted on quarterly basis.</p> <ul style="list-style-type: none"> • 5 tools i.e. Case study guiding questionnaire, individual interview guiding questionnaire, FGDs guiding questionnaire are designed to capture and report qualitative information of different components of PICIIP. 5 Case studies have been developed in Q3, 2021. Total 5, 3 from Sahiwal (2 female WASH focal persons and 1 WASH beneficiary) 1 from Sialkot (female Park beneficiary) and 1 is from PMU (female staff- received financial/ technical training to build her capacities). <p>Beyond Gender Action Plan activities PICIIP is working on EGM guidelines of women empowerment and believes that small initiatives can bring big change. For this purpose, PICIIP-Sahiwal has recently employed 4-5 women as general labor in road upgradation project of Sahiwal. Female laborers shared their satisfactory work experience in PICIIP in structured interview. Report is appended as Annex 07.</p>

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, SCDS = Smart Cities Development Specialist, PHA = Parks and Horticulture Authorities, UMDS= Urban Mobility Design and Supervision

Appendix 10

Update on Reporting Compliance

No.	Name of Report	Reference in Loan/Project	Due Date	Actual Submission Date	Remarks ²
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.		7 QPRs have been submitted to ADB. Reports for Q1 and 2 of 2022 are pending finalization.
2.	Audited Project Financial Statements	Section 2.9 (a) Project Agreement (PA)	31 December every year		3 APFS have been submitted to ADB 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.		5 SAEMRs and SAISSMR of PICIIP have been submitted to ADB.
4	External Monitoring Reports (SS)	PAM Para 83 (vii), and Para 10 (a), Schedule to PA	Quarterly		6 reports have been submitted and approved by ADB.
5.	Report on actual or potential breach of compliance with ESMS, EMP, LARP, or IPP	Para 12 (c), Schedule 4, LA, and Para 10 (a), Schedule to PA	Promptly after becoming aware of breach.		Breach reported for HSE non-compliance and accident in Apr 2022
6.	Completion Report	Section 2.08 (c) Project Agreement	Within 3 months of project physical completion.		Not yet due June 2024

QPR = Quarterly Progress Report.

² {If not complied give reasons for non-compliance and possible / expected date of compliance}.

Appendix 11

Update on Actions Agreed with Last ADB Mission

SR#	Task	Deadline	Responsibility	Updated Status
SAFEGUARDS – LARP IMPLEMENTATION				
1	Grant-in-Aid approval from provincial cabinet	20 Nov 2021	GoPb	Approved
2	Funds Transfer by FD to PMU Account for payment of differential cost of LARPs 4 and 5, and resettlement assistance of all LARPs. Followed by transfer of these funds by PMU to LAC.	20 Nov 2021	PMU, P&D, FD	Achieved
3	All inheritance/ succession and power of attorney related issues resolved.	15 Dec 2021	PMU, CIU	Will be completed in Q4 of 2022
4	Completion of Issuance of notices for DPs to receive their payments	31 Dec 2021	PMU, CIU, DC/LAC	Achieved
5	Disbursement of compensation (including BOP assessed value, differential cost and resettlement assistance) by LAC to DPs of all 5 LARPs	10 Jan 2022	PMU, CIU, DC/LAC	Achieved
6	Third party validation report of satisfactory implementation of all LARPs.	14 Jan 2022	PMU's EME	On going
7	ADB Approval of External Monitoring Report	20 Jan 2022	ADB	Approved till Q4 of 2021 And ongoing till the 100 % implementation of LARPs
PROCUREMENT				
8	VO5 of EPCM Consultants submitted to ADB VO6 of EPCM Consultants submitted to ADB	30 Nov 2021 15 Jan 2022	PMU/EPCM	Achieved. VO7 for time and cost revision also processed after PDWP and ADB approval.
9	Contract award of Sahiwal Roads, after updation and ADB approval of revised SDDR and road design	31 Dec 2021	PMU	Achieved
10	Parking Sheds: - Re-advertisement - Contract award	15 Dec 2021 05 Mar 2022	PMU	PC-I under revision
11	Contract award of 4 lots of IT equipment under PICIIP-24 (shopping)	30 Nov 2021	PMU	Achieved
12	Contract award of WWTP Sahiwal and WWTP Sialkot sub-projects	30 Nov 2021	PMU	Achieved
13	Contract award of Smart City Planning and Implementation Consultancy package	15 Mar 2022	PMU	Proposals received, under technical evaluation
PMU/CIU STRENGTHENING				
14	Contract award and mobilization of all PMU and CIU staff positions approved in the revised PC-I	30 Nov 2021	PMU	Major recruitment completed in Dec 2021, rest of the seats advertised in this quarter
15	Contract award of M&E Specialist Individual Consultant position	31 Dec 2021	PMU	Pending
16	Relocation of both CIUs' staff to new, fully resourced offices	30 Nov 2021	PMU	Achieved

COMPLETION OF WORKS				
17	Completion of Works on Gulshan Iqbal Park Sialkot and handing over to PHA	1 Mar 2022	PMU/EPCM/ Contractor	Expected in Dec 2022
18	Completion of SWM Equipment (Lot 3) Supply	30 Nov 2021	PMU/ EPCM	Achieved
19	Revised submission of PLGA EOT to ADB	20 Nov 2021	PMU/EPCM	Achieved
PAM REVISION				
20	Submit request for cost category re-allocation and change in disbursement % (through EAD)to ADB	15 Dec 2021	PMU	Will be submitted upon finalization of UMDS projects costs
PROJECT SCOPE FINALIZATION AND WAY FORWARD				
21	<u>Output 3 - Urban Public Spaces Improved:</u>			
	i. Prepare list of potential investments to be financed under PICIIP-04-Road Upgradation package, along with cost estimates;	21 Dec 2021	PMU/UMDS Consultants	In process, please refer to performance of the consultants
	ii. Selection/Finalization of priority investments after consultations with city administrations/local stakeholders;	24 Jan 2022		
	iii. Detailed Design and Due Diligence (Social and Environment etc) completed;	25 Mar 2022		
	iv. PC-I Approved by competent authority (advanced procurement to begin immediately after submission of PC-1);	22 Apr 2022		
Award of contracts	25 Jun 2022			
22	<u>PLGA Lala Musa:</u>			
	i. Finalization of scope, with BOQs and cost estimates	15 Dec 2021	PMU/Capacity Building/ UMDS Consultants	In process
	ii. Detailed design complete	15 Feb 2021		
	iii. PC-I submission to LG&CDD	01 Mar 2021		
	iv. PC-I approval by competent authority	15 Mar 2021		
Contract award	30 May 2021			

NYD: Not yet due

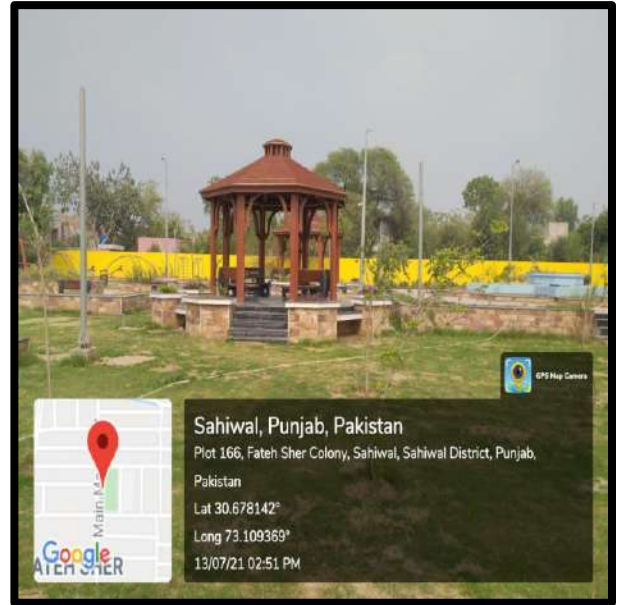
Appendix 12

Pictures of On-going Projects

A. Sahiwal Parks



Picture 1: View of a Planter in Fateh Sher Park



Picture 2: A Gazebo in Fateh Sher Park



Picture 3: Chamaz zar park central Kiosk



Picture 4: Chamaz Zar Park Walkway

A. Sahiwal Parks



Picture 5: Chamaz zar park gazebo



Picture 6: Fared Town Park Play Area

B. Sialkot Parks



Picture 7: Kiosk at Gulshan-e-Iqbal Park



Picture 8: Gazebo wood work in Progress at Gulshan-e-Iqbal Park



Picture 9: Wall of Amphitheatre at Gulshan-e-Iqbal Park



Picture 10: Walkway of Museum, Gulshan-e-Iqbal Park

B. Sialkot Parks



Picture 11: Prayer Deck at Gulshan-e-Iqbal Park



Picture 12: Walkway at Gulshan-e-Iqbal Parks, Sialkot



Picture 13: Museum Floor Work at Gulshan-e-Iqbal Park



Picture 14: PCC for laying cobble Stone GI Park

C. Sahiwal WATSAN



Picture 15: Laying of HDPE pipe is in Progress



Picture 16: View of the Consumer House connection



Picture 17: View of Trench After Pipe Laying



Picture 18: View of Trench After Pipe Laying

C. Sahiwal WATSAN



Picture 19: HDPE Pipe Welding and Jointing in Progress



Picture 20: HDPE Pipe Jointing At UC-10



Picture 21: Restoration Work is in Progress



Picture 22: Brick Work at Pump House in progress

C. Sahiwal WATSAN



Picture 23: OHR under Construction



Picture 24: Removing of OHR Shuttering in Progress



Picture 25: Water Sprinkling is in progress



Picture 26: 3- Edge Bearing Test of RCC Pipe

C. Sahiwal WATSAN



Picture 27: Pipe Laying in Progress



Picture 28: Curing of Concrete Pipe



Picture 29: Water Sprinkling in Progress



Picture 30: Excavation Work in Progress

C. Sahiwal WATSAN



Picture 31: Manhole under Construction



Picture 32: Manhole under Construction



Picture 33: Acces to the Conduit which is in Progress



Picture 34: Pouring of Conduit Wall Concrete in Progress

C. Sahiwal WATSAN



Picture 35: Concrete Roof Slab in Progress



Picture 36: Top Slab Concrete in Progress



Picture 37: Pipe Bedding with Hunching Lot-02



Picture 38: Manhole Benching completed Lot-02

C. Sahiwal WATSAN



Picture 39: Laying of 48" Dia Pipe at Multan Road



Picture 40: Curing of RCC Pipe at RCC Pipe Factory Lot-04



Picture 41: Levelling of Sewer Pipe is in Progress



Picture 42: Construction of Manhole is in Progress

C. Sahiwal WATSAN



Picture 43: Sewer Bed Preparation



Picture 44: 03-Edge Bearing Test



Picture 45: Sewer Checking at Factory



Picture 46: Sewer Laying

C. Sahiwal WATSAN



Picture 47: Water Bound Macdum at Fateh Sher Road-01



Picture 48: Water Bound Macdum at Fateh Sher Road-01



Picture 49: Laying of WBM in Progress



Picture 50: Compaction of WBM In Progress

C. Sahiwal WATSAN



Picture 51: Water sprinkling at Fateh Sher Road-01



Picture 52: Sub-Base Preparation at Road-03



Picture 53: Dismantling at Road-03



Picture 54: Water Sprinkling at Road 1

D. Sialkot WATSAN



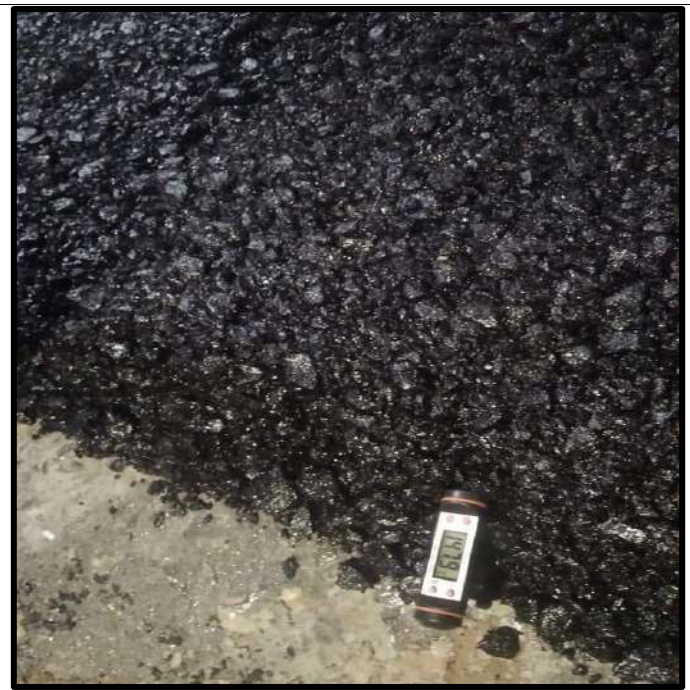
Picture 55: Spreading and Shifting of Aggregate Base Course



Picture 56: Compaction after sewer laying in progress



Picture 57: Asphalt base course is in Progress



Picture 58: Temperature checkin of Asphalt

D. Sialkot WATSAN



Picture 59: 3- Edge Bearing Testing for RCC Pipe



Picture 60: Hauling of Pipe in Progress



Picture 61: Pipe Laying & Level Inspection in Trench



Picture 62: Compaction of Backfill

D. Sialkot WATSAN



Picture 63: Road Restoration, After Laying of Sewer Line



Picture 64: Pipe Laying in Progress



Picture 65: Pipe Laying through Thrust Boring in Progress



Picture 66: Road Restoration in Progress

D. Sialkot WATSAN



Picture 67: Single Cell Conduits laying is in progress near Sublime Chowk Site 1 Marala Road Sialkot



Picture 68: Conduits laying is in progress near Technical College Site 2 Marala Road Sialkot

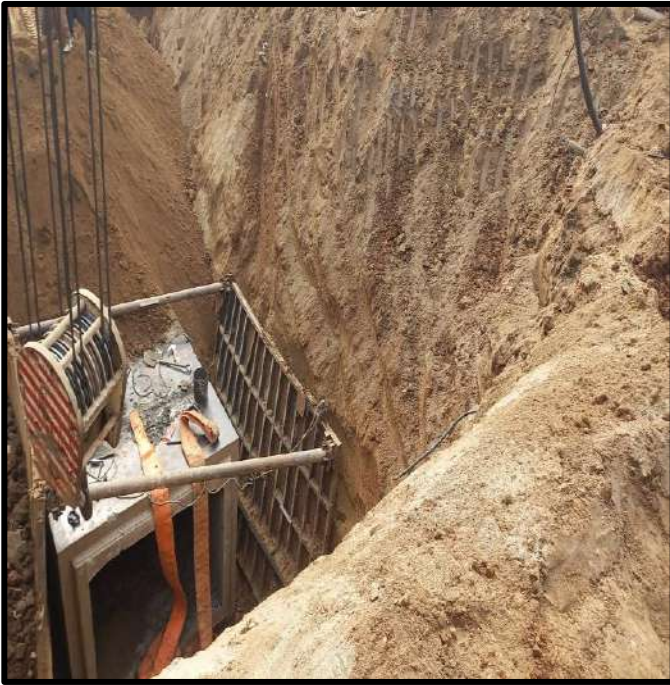


Picture 76: Manhole No. 60 Shaft Concreted at Marala Road



Picture 77: Conduits laying is in progress near Technical College Site 2 Marala Road Sialkot

D. Sialkot WATSAN



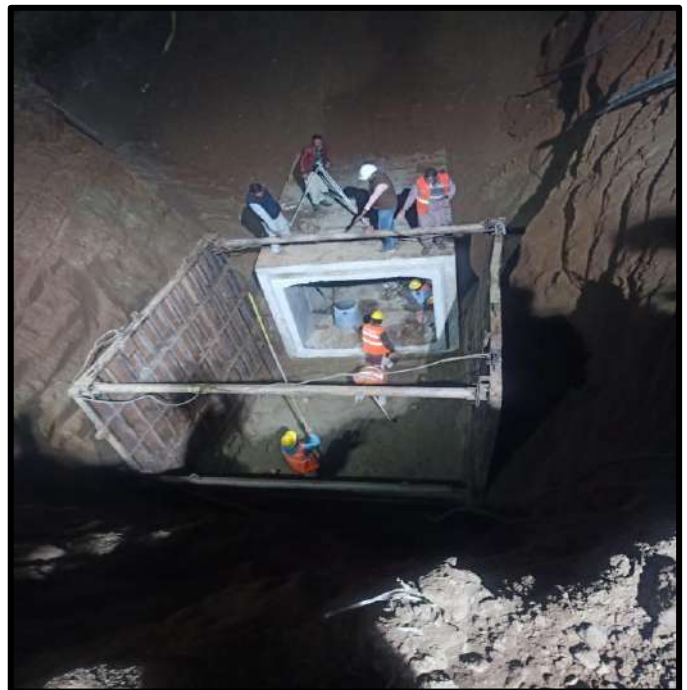
Picture 78: Conduit Placement (Day Shift)



Picture 79: Conduit Laying



Picture 80: Conduit Placement (Night Shift)



Picture 81: Backfill Restoration

D. Sialkot WATSAN



Picture 82: Conduit Placement (Night Shift)



Picture 83: Backfill Restoration



Picture 84: Welding of Forcemain



Picture 85: Bed Preparation for layinf of Forcemain

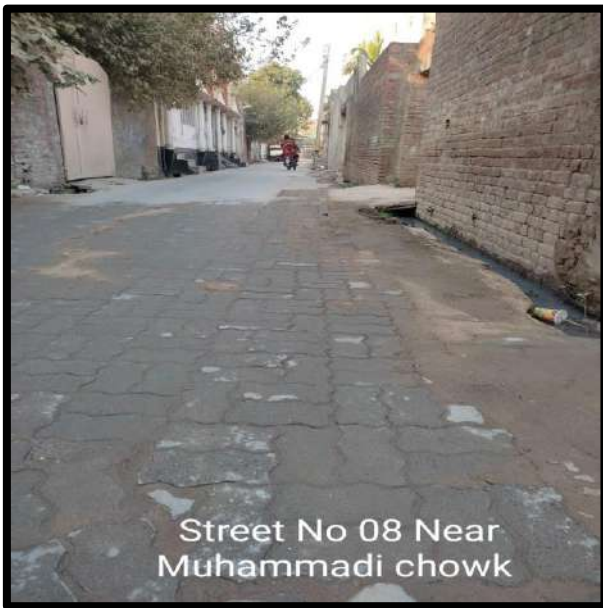
D. Sialkot WATSAN



Picture 86: Sewer Bed Preparation



Picture 87: Brick work of Pump Room in Mayana Pura



Picture 88: Restoration Works Pictures of Lot-04



Picture 89: Construction of OHR in Progress

D. Sialkot WATSAN



Picture 90: Excavation for Pipe Laying



Picture 91: Shuttering Arrangement for OHR

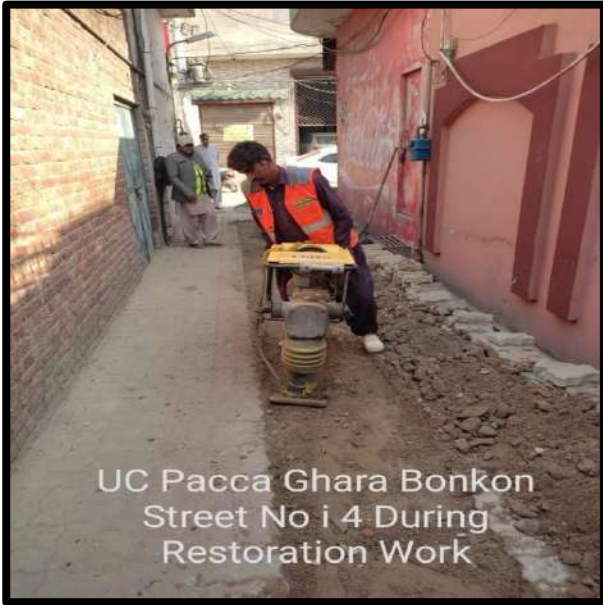


Picture 92: Formwork of Bowl of T-18 Prem Nagar

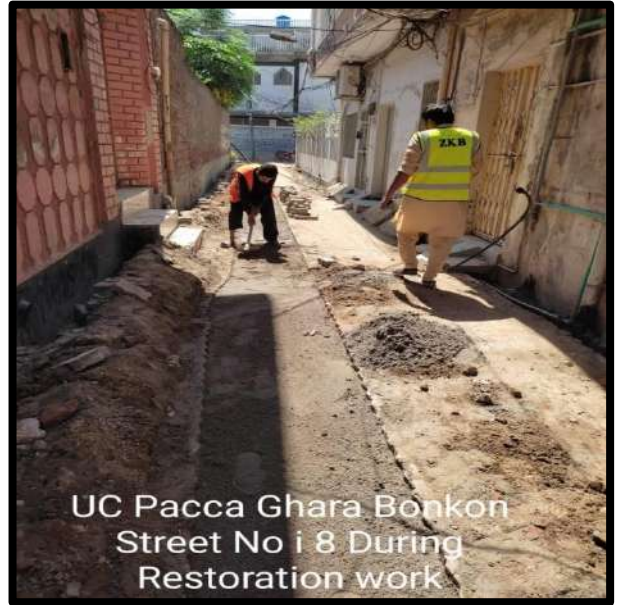


Picture 93: Construction of OHR in Progress

D. Sialkot WATSAN



Picture 94: Restoration work at Sialkot



Picture 95: Restoration work at Sialkot



Picture 96: Restoration work at Sialkot

E. Punjab Local Government Academy Lahore



Picture 97: Front Elevation of PLGA Lahore



Picture 98: Fixing of Granite on Walls



Picture 99: HVAC Ducting of PLGA Lahore

E. Punjab Local Government Academy Lahore



Picture 100: Paint work and fixing of Ceiling Frame