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**CREDIT NUMBER 5536 -PK**

# **Project Agreement**

**(Enhanced Nutrition for Mother and Children Project)**

**between**

**INTERNATIONAL DEVELOPMENT ASSOCIATION**

**and**

**PROVINCE OF SINDH**

**Dated** *OCTOBER 31*, 2014

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## **PROJECT AGREEMENT**

AGREEMENT dated October 31, 2014, entered into between INTERNATIONAL DEVELOPMENT ASSOCIATION ("Association") and the PROVINCE OF SINDH ("Project Agreement"), as represented by, and in the name of, the Governor of Sindh, in connection with the Financing Agreement ("Financing Agreement") of same date between the ISLAMIC REPUBLIC OF PAKISTAN ("Recipient") and the Association. The Association and the Province of Sindh hereby agree as follows:

### **ARTICLE I — GENERAL CONDITIONS; DEFINITIONS**

- 1.01. The General Conditions (as defined in the Appendix to the Financing Agreement) constitute an integral part of this Agreement.
- 1.02. Unless the context requires otherwise, the capitalized terms used in this Agreement have the meanings ascribed to them in the Financing Agreement or the General Conditions.

### **ARTICLE II — PROJECT**

- 2.01. The Province of Sindh declares its commitment to the objectives of the Project. To this end, the Province of Sindh shall carry out the Project in its territory in accordance with the provisions of Article IV of the General Conditions, and shall provide promptly as needed, the funds, facilities, services and other resources required for the Project.
- 2.02. Without limitation upon the provisions of Section 2.01 of this Agreement, and except as the Association and the Province of Sindh shall otherwise agree, the Province of Sindh shall carry out the Project in accordance with the provisions of the Schedule to this Agreement.

### **ARTICLE III — TERMINATION**

- 3.01. For purposes of Section 8.05 (c) of the General Conditions, the date on which the provisions of this Agreement shall terminate is twenty (20) years after the date of this Agreement.

### **ARTICLE IV — REPRESENTATIVE; ADDRESSES**

- 4.01. The Province of Sindh's Representative is the Secretary to the Government of Sindh, Health Department.

4.02. The Association's Address is:

International Development Association  
1818 H Street, NW  
Washington, DC 20433  
United States of America

Cable:	Telex:	Facsimile:
INDEVAS Washington, D.C.	248423(MCI)	1-202-477-6391

4.03. The Province of Sindh's Address is:

Department of Health  
Government of Sindh  
6th Floor, Sindh Secretariat, Building No. 1  
Karachi, Province of Sindh  
Islamic Republic of Pakistan

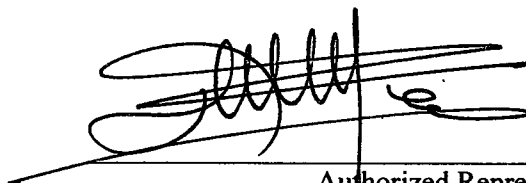
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AGREED at Islamabad, Pakistan, as of the day and year first above written.

INTERNATIONAL DEVELOPMENT ASSOCIATION

By



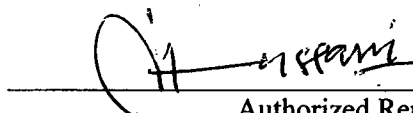
Authorized Representative

Name: Rachid Benmerrouel

Title: Country Director

PROVINCE OF SINDH

By



Authorized Representative

Name: Iqbal Hussain Durrani,

Title: Secretary

## SCHEDULE

### Execution of the Project in the Province of Sindh

#### Section I. Implementation Arrangements

##### A. Institutional and Other Arrangements

1. The Province of Sindh shall:
  - (a) vest responsibility for oversight, coordination, and implementation of the Project in its territory in the Department of Health, through its Provincial Nutrition Cell, headed and maintained throughout the period of Project implementation by a Program Manager for Nutrition and with composition, resources and terms of references satisfactory to the Association, with the assistance of the Secretary (Health) of the Province of Sindh, as required. Notwithstanding the foregoing, the Provincial Nutrition Cell shall be responsible for, *inter alia*: (i) the preparation of the Annual Work Plans and Budgets; (ii) liaising within the Department of Health on Project-related matters; and (iii) providing secretarial support to the Provincial Steering Committee, the Provincial Coordination Committee and the District Coordination Committees.
  - (b) establish, by no later than two (2) months after the Effective Date, and thereafter maintain throughout the period of Project implementation, a Provincial Steering Committee, chaired by the Additional Chief Secretary of the Province of Sindh, with composition, resources and terms of references satisfactory to the Association, responsible for, *inter alia*, providing strategic direction and inter-sectoral coordination of the Project in the territory of the Province of Sindh.
  - (c) establish, by no later than two (2) months after the Effective Date, and thereafter maintain throughout the period of Project implementation, a Provincial Technical Committee, chaired by the Director General of Health Services of the Department of Health, with composition, resources and terms of references satisfactory to the Association, responsible for, *inter alia*, reviewing Project's performance and progress, and providing a forum for policy review, formulation and coordination among stakeholders in the territory of the Province of Sindh.
  - (d) establish, by no later than two (2) months after the Effective Date, and thereafter maintain throughout the period of Project implementation, a District Coordination Committee in each of Project Districts, chaired by the District Health Officer of the respective district, with composition, resources and terms of references satisfactory to the Association,

responsible for, *inter alia*, oversight of and coordination among relevant line departments in the respective district, and review and approval of Annual Work Plans and Budgets.

- (e) maintain throughout the period of Project implementation a District Nutrition Officer in in each of the Project Districts, with terms of references satisfactory to the Association, responsible for, *inter alia*, coordination of implementation, monitoring and reporting at the respective district.

**B. Anti-Corruption**

The Province of Sindh shall ensure that the Project is carried out in accordance with the provisions of the Anti-Corruption Guidelines.

**C. Annual Work Plans and Budgets**

The Province of Sindh shall:

- (a) prepare and adopt by not later than May 31 of each year, an annual work plan and budget (the “Annual Work Plan and Budget”)for the following fiscal year in a manner and substance satisfactory to the Association, which plan shall identify the Project activities by component and subcomponent, together with their related expenditures and financing sources. Notwithstanding the foregoing, the first such Annual Work Plan and Budget for the first year of Project implementation shall be prepared by not later than two (2) months after the Effective Date; and thereafter,
- (b) implement the Project activities during the relevant fiscal year in accordance such plan as so discussed and agreed with the Association.

**D. Grievances Redressal**

The Province of Sindh shall establish by no later than three (3) months after the Effective Date, and thereafter maintain throughout the period of Project implementation, a grievance redressal mechanism satisfactory to the Association, for the handling of any complaints arising out of Project implementation

**Section II. Project Monitoring, Reporting and Evaluation**

**A. Project Reports**

- 1. The Province of Sindh shall monitor and evaluate the progress of the Project and prepare Project Reports in accordance with the provisions of Section 4.08 of the General Conditions and on the basis of indicators acceptable to the Association.

Each such Project Report shall cover the period of six months, and shall be furnished to the Recipient not later forty five (45) days after the end of the period covered by such report for incorporation and forwarding by the Recipient to the Association of the overall Project Report.

2. Notwithstanding the provision of paragraph 1 above, the Province of Sindh shall:
  - (a) prepare, by no later than July 15, 2016, and furnish to the Recipient and the Association, a mid-term review report, in a manner and substance satisfactory to the Association, integrating the results of the monitoring and evaluation activities performed pursuant to paragraph (1) above on the progress achieved in the carrying out of the Project during the period preceding the date of such report, and setting out the measures recommended to ensure the efficient carrying out of the Project and the achievement of the objectives thereof during the period following such date; and
  - (b) review with the Association, by September 30, 2016, or such later date as the Association shall request, the mid-term review report referred in subparagraph (a) above, and, thereafter, take all measures required to ensure the efficient completion of the Project and the achievement of the objectives thereof, base on the conclusions and recommendations of the said report and the Association's views on the matter.
3. The Province of Sindh shall provide to the Recipient not later than four (4) months after the Closing Date, for incorporation in the report referred to in Section 4.08 (c) of the General Conditions all such information as the Recipient or the Association shall reasonably request for the purposes of such Section.

**B. Financial Management, Financial Reports and Audits**

1. The Province of Sindh shall maintain a financial management system and prepare financial statements in accordance with consistently applied accounting standards acceptable to the Association, both in a manner adequate to reflect the operations and financial condition of the Province of Sindh, including the operations, resources and expenditures related to the Project.
2. Without limitation on the provisions of Part A of this Section, the Province of Sindh shall prepare and furnish to the Association not later than forty-five (45) days after the end of each calendar quarter, interim unaudited financial reports for the Project covering the preceding quarter, in form and substance satisfactory to the Association.
3. The Province of Sindh shall have its financial statements referred to above audited by independent auditors acceptable to the Association, in accordance

with consistently applied auditing standards acceptable to the Association. Each audit of these financial statements shall cover the period of one fiscal year of the Province of Sindh. The Province of Sindh shall ensure that the audited financial statements for each period shall be: (a) furnished to the Recipient and the Association not later than six (6) months after the end of the period; and (b) made publicly available in a timely fashion and in a manner acceptable to the Association.

4. The Province of Sindh shall, by no later than six (6) months after the Effective Date, establish and thereafter maintain throughout the period of Project implementation, institutional arrangements for internal audits, including inventory management, within the Department of Health, in a manner and substance acceptable to the Association.

### **Section III. Procurement**

1. All goods and services required for the Project and to be financed out of the proceeds of the Credit shall be procured in accordance with the provisions of Section III of Schedule 2 to the Financing Agreement.
2. The Province of Sindh shall:
  - (a) establish, by no later than four (4) months after the Effective Date, and thereafter maintain throughout the period of Project implementation, a system for the handling of procurement complaints, in a manner and substance acceptable to the Association, which system shall include, inter alia, the maintenance of a complaint database, a standard protocol setting forth triggers for carrying out investigations, and a sanctions regime. Notwithstanding the foregoing, for any procurement done through International Competitive Bidding, the Association's prescribed complaint redress mechanism shall apply; and
  - (b) establish, by no later than four (4) months after the Effective Date, and thereafter maintain throughout the period of implementation of the Project, a procurement documentation and record keeping system, including a publicly accessible website, in a format agreed with the Association, showing, inter alia, the Project procurement plans, complete bidding documents, the status of procurement of various contracts (the summary of proposals/bid evaluations and awards), contract performance and payment delays, and a list of procurement complaints and status thereof.
  - (c) carry out the Project in accordance with the requirements, criteria, organizational arrangements and operational procedures set forth in the Procurement Operations Manual (provided, however, that in case of any



conflict between the arrangements and procedures set out in the Procurement Operations Manual and the provisions of this Agreement, the provisions of this Agreement shall prevail).