



LN 8600-PK

ISLAMIC REPUBLIC OF PAKISTAN
PROVINCE OF PUNJAB

June 17, 2016

International Bank for Reconstruction Development
1818 H Street NW
Washington, DC 20433
United States of America

**Re: Loan Number 8600-PK
(Punjab Jobs and Competitiveness Program)
Performance Monitoring Indicators**

Dear Sir/Mesdames:

We refer to Section III A of the Schedule 2 of the Loan Agreement (Punjab Jobs and Competitiveness Program) between the Islamic Republic of Pakistan the ("Borrower") and the International Bank for Reconstruction and Development the ("Bank") and Section III A of the Schedule to the Project Agreement between the Bank and the Province of Punjab of even date herewith for the above-mentioned Project.

We hereby agree that the Performance Monitoring Indicators to monitor and evaluate the carrying out of the above-mentioned Project and the achievement of the objectives thereof are those set forth in the Attachment to this letter.

Very truly yours,

ISLAMIC REPUBLIC OF PAKISTAN

By [Signature]
Authorized Representative

PROVINCE OF PUNJAB

By [Signature]
Authorized Representative

Attachment

Results Framework Matrix

Program Development Objectives: To improve the investment climate and promote investments and jobs in more inclusive and sustainable industrial estates in Punjab.												
PDO Level Results Indicators	Core	DLI	Unit of Measure	Baseline	Target Values					Frequency	Data Source/ Methodology	Responsibility for Data Collection
					YR1	YR2	YR3	YR4	YR5			
PDO Indicator 1 and DLI 1: Improvement in aggregate Doing Business performance for Punjab (business registration, contract enforcement, construction permit and property registration)	X	X	Absolute score using the DB16 methodology (100 being the best DB16 performer)	61	61	64	67	70	75	Annual	Doing Business Indicator	Doing Business Project Team (World Bank)
PDO Indicator 2: Progress made by Punjab on GSP+ Labor conventions as reported in the bi-annual EU evaluation	-	-	Progress made by Punjab on GSP+ Labor conventions as reported in the bi-annual EU evaluation	Significant progress made by Punjab reported in 2016 EU evaluation	-	Significant progress made by Punjab reported in 2018 EU evaluation	-	Significant progress made by Punjab reported in 2020 EU evaluation	-	Bi-annual	EU evaluation	Secretary of Industry and Commerce, Labor Department
PDO Indicator 3: Increase in number of workers in existing industrial estates (of which women)	-	-	Full time workers in existing PIEDMC and FIEDMC estates	82,000 (13,900)	82,000 (13,900)	85,000 (15,000)	95,000 (17,000)	110,000 (22,000)	140,000 (32,000)	Annual	Enterprise survey	PIEDMC/ FIEDMC
PDO Indicator 4: New investments in existing industrial estates (of which percentage of FDI)	-	-	US\$ million invested in existing PIEDMC and FIEDMC estates	0	25 (25%)	50 (30%)	100 (35%)	200 (40%)	300 (50%)	Annual (cumulative)	Enterprise survey	PIEDMC/ FIEDMC