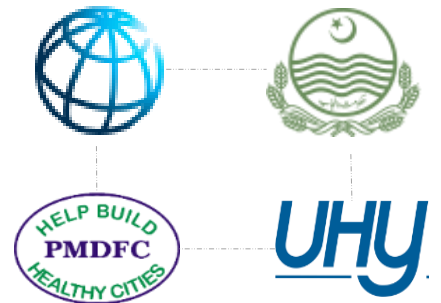


FINAL REPORT ON
ANNUAL PERFORMANCE
ASSESSMENT (APA)

PUNJAB CITIES PROGRAM

June 11, 2024



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"A caveat is a warning of a specific limitation of something such as information or an agreement." (Collins Dictionary)

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Acronyms and Abbreviations

ADP	Annual Development Plan
APA	Annual Performance Assessment
CFMS	Computerized Financial Management System
CTS	Complaint Tracking System
DLI	Disbursement Linked Indicators
E&S	Environmental and Social
ESSA	Environmental and Social Safeguard Assessment
FY	Financial Year
GIS	Geographic Information System
GRM	Grievance Redressal Management
IDAMPs	Integrated Development and Asset Management Plans
KPIs	Key Performance Indicators
MACs	Minimum Access Conditions
MCs	Municipal Committee
O&M	Operations and Maintenance
OSR	Own Source Revenue
PBGs	Performance Based Grants
PC-I	Planning Commission Form I
PCP	Punjab Cities Program
PMs	Performance Measures
PMS	Performance Management System
PPRA	Public Procurement Regulatory Authority
RTI	Right to Information
TORs	Terms of Reference
LG&CDD	Local Government & Community Development Department
PLGB	Punjab Local Government Board
FD	Finance Department

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Annexure A: List of Documents Reviewed

Annexure B: Benchmarking



01

HIGHLIGHTS

Highlights



Overall MACs Compliance Status

Investment Planning & Budgeting	●	<input type="radio"/>
Human Resource	●	<input type="radio"/>
Procurement	●	<input type="radio"/>
Financial Management & Audit	●	<input type="radio"/>
Environment & Social Management	●	<input type="radio"/>
Transparency & Accountability	●	<input type="radio"/>
Operations Specific Participation Agreement	●	<input type="radio"/>

● Compliant ● Non-Compliant



Aggregate PMs Score (Average) 90

Investment Planning & Budgeting <i>(24 points)</i>	20
Own Source Revenue <i>(18 points)</i>	18
Procurement <i>(08 points)</i>	7
Financial Management & Audit <i>(12 points)</i>	12
Environment & Social Safeguards <i>(10 points)</i>	10
Accountability & Transparency <i>(08 points)</i>	8
Urban Infrastructure <i>(20 points)</i>	15



Scores Achieved by MCs

North Punjab	▪Daska	86	▪Kamoke	93
	▪Hafizabad	92	▪Muridke	93
	▪Jhelum	88	▪Wazirabad	87
Central Punjab	▪Gojra	91	▪Jhang	91
	▪Kamalia	91	▪Okara	92
	▪Jaranwala	88		
South Punjab	▪Bahawalnagar	94	▪Burewala	88
	▪Kot Addu	89	▪Khanewal	94
	▪Vehari	90		






Disbursement USD 20 Mn

▪DLI - 1 Minimum Access Conditions	USD 5 Mn
▪DLI -2 Performance Based Grants	USD 15 Mn

02

Assignment

-  **The Project** **09**
-  **Scope of Assignment** **10**
-  **Execution** **11**

The Project

FUNDING SOURCE

World Bank-funded hybrid

of Program for Results (PforR) and Investment Project Financing (IPF) operation.

TOTAL COST

USD 200 million

TENURE

5 years (2018 -2023)*

The Project has been extended for 18 months till 2025.

PROGRAM DEVELOPMENT OBJECTIVES

To strengthen the performance of participating Municipal Committees/Corporations (MCs), focusing on urban management and improvement of municipal infrastructure for satisfactory service delivery

PROGRAM FUNDING

The Performance Based Grants (PBGs) are being provided to the MCs of the 16 selected cities for investments in municipal infrastructure and services

Window 1

Provided support to provincial government agencies i.e. LG&CDD, PLGB, PMDFC and FD.

Window 2



Scope of Assessment

The objective of the consultancy was to assess the annual performance of participating MCs against the DLIs. The program links funding to results through two DLIs. DLI-1 concentrates on meeting Minimum Access Conditions (MACs), while DLI-2 assesses performance through a set of Performance Measures (PMs). This assessment determines whether DLIs have been met by the MCs. The combined score of all MCs directly impacts the size of grants distributed under the PBG scheme. This metric serves as a key indicator of progress towards the overall Program's goals.



Execution - Approach

The assessment methodology for the annual performance assessment of Punjab Cities Program (PCP) was systematic, data-driven, and aligned with the program's objectives. The methodology was designed to provide an accurate and comprehensive picture of the program's performance to identify areas for improvement. Our assessment methodology for the annual performance assessment of PCP involved the following:

Phase 1

PLANNING & DESIGNING

- Comprehended the DLI Framework
- Planning the Process to assess the MCs
- Designed effective procedures to carry out assessment

Phase 2

DATA COLLECTION & VALIDATION

- Collected data to ensure compliance with DLIs from the MCs

Phase 3

DATA TRANSFORMATION & SCORING

- Standardized the indicators to make them comparable
- Assigned scores to the indicators based on the prescribed benchmarks

Phase 4

COMPUTING INDEX SCORE

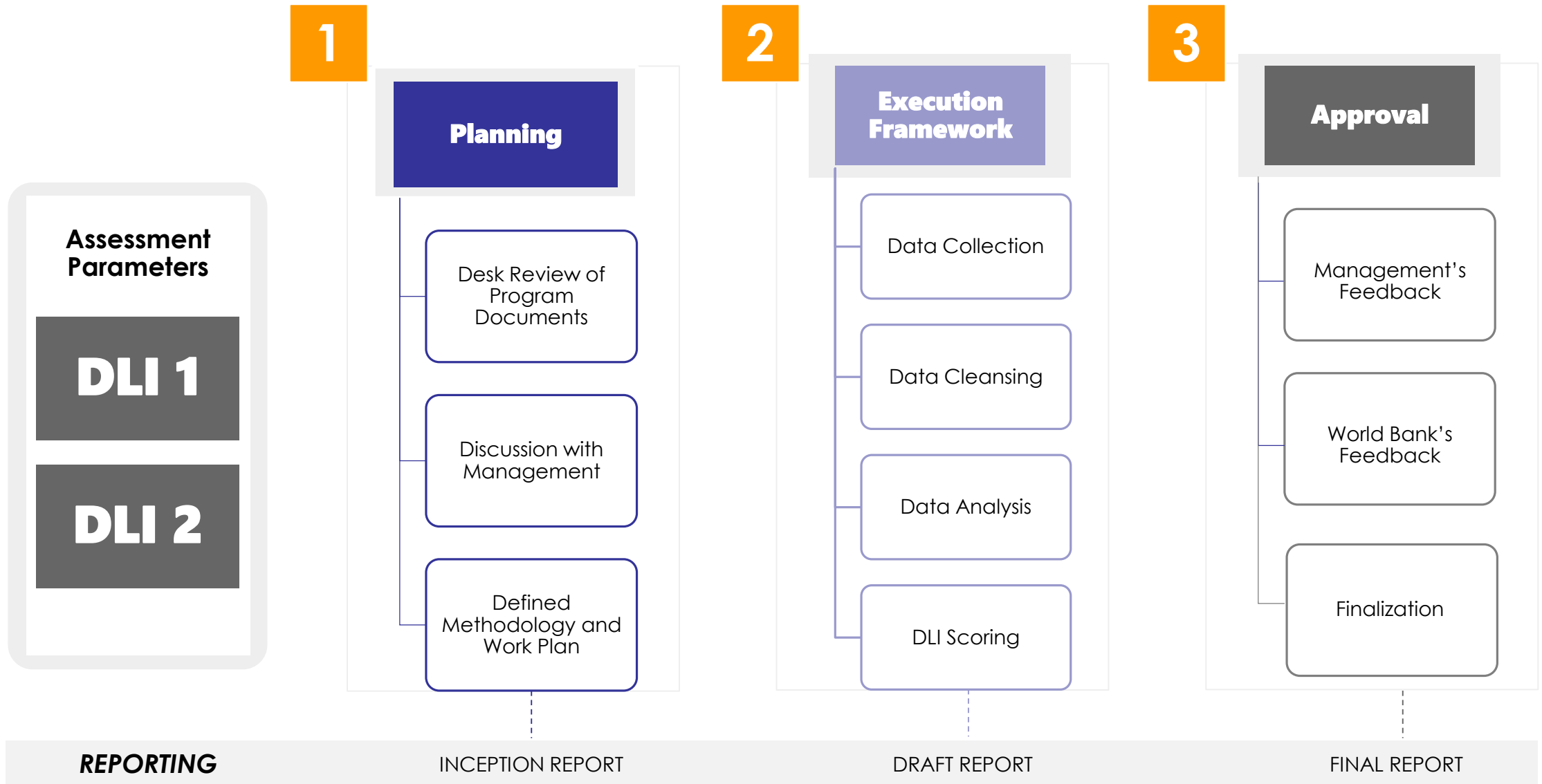
- Aggregated the indicator scores to obtain the combined scores for each MC
- Calculated disbursement based on the performance and targeted scores
- Applied MCs weighted scores to allocate disbursement

Phase 5

REPORTING

- Reported the outcome of annual performance assessment of each MC

Execution - Methodology



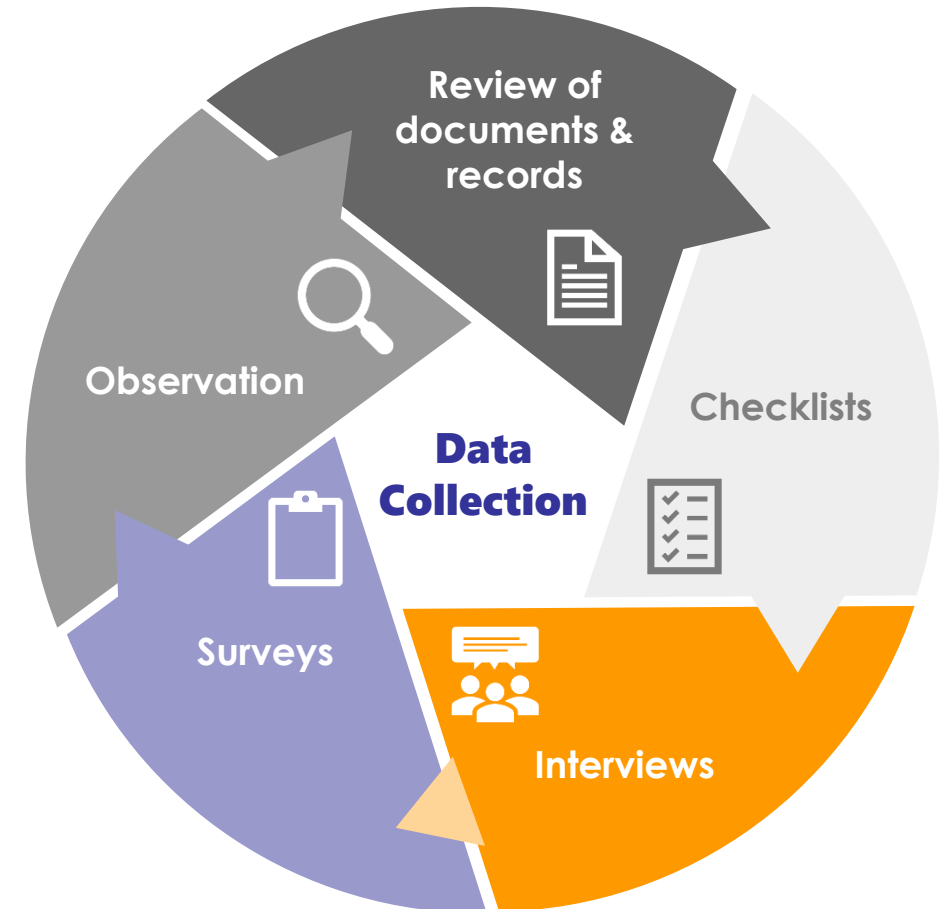
Execution – Data Collection Basis

We designed data collection tools that were aligned with the established Performance Measures as per DLI 2, including checklists, interviews, surveys, observations and review of documents and data records. These tools were tailored to capture quantitative and qualitative data relevant to the Punjab Cities Program.

The data collection activities were executed across the targeted MCs. Monitored the entire process closely to ensure adherence to the established methodology and timely data collection. Additionally, data integrity was given key consideration.

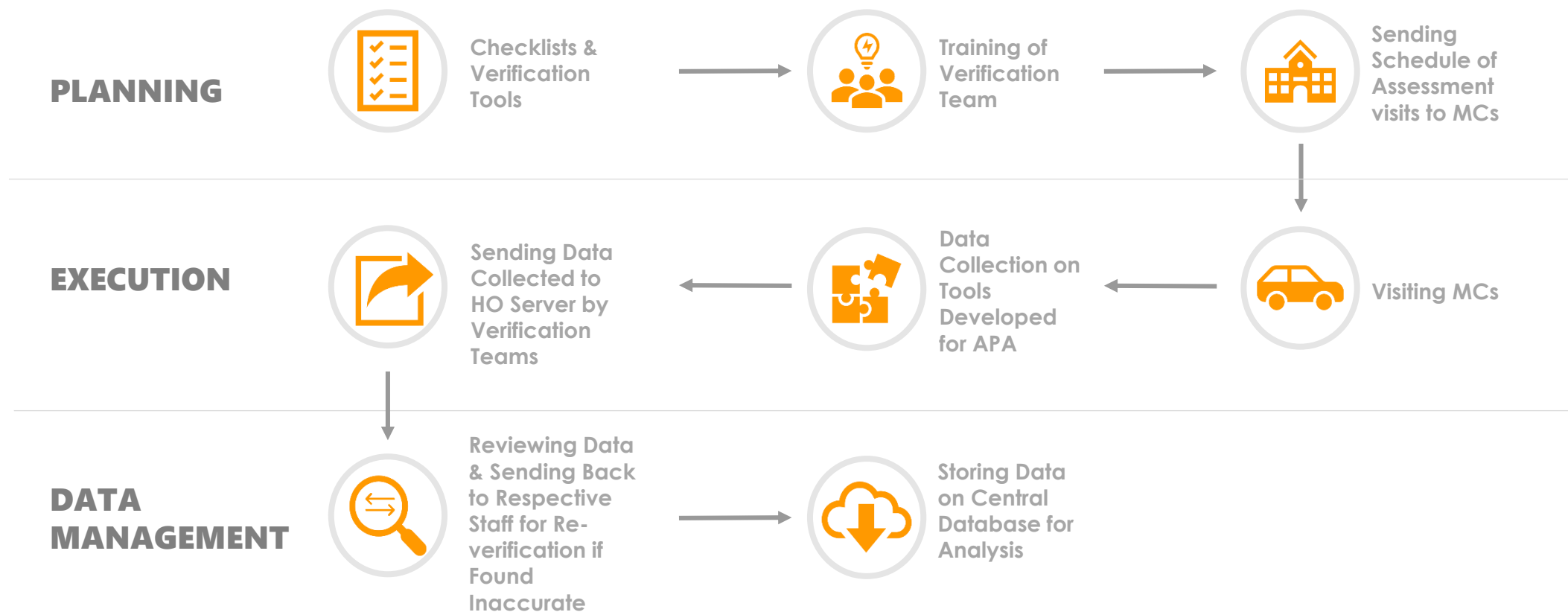
We also maintained close communication with the data collection team for clarification and troubleshooting, where needed.

Throughout the data collection process, we implemented robust quality assurance measures to validate and verify the collected data. We cross-checked data from different sources, conducted sample audits, and performed data quality checks to ensure accuracy, consistency, and completeness.

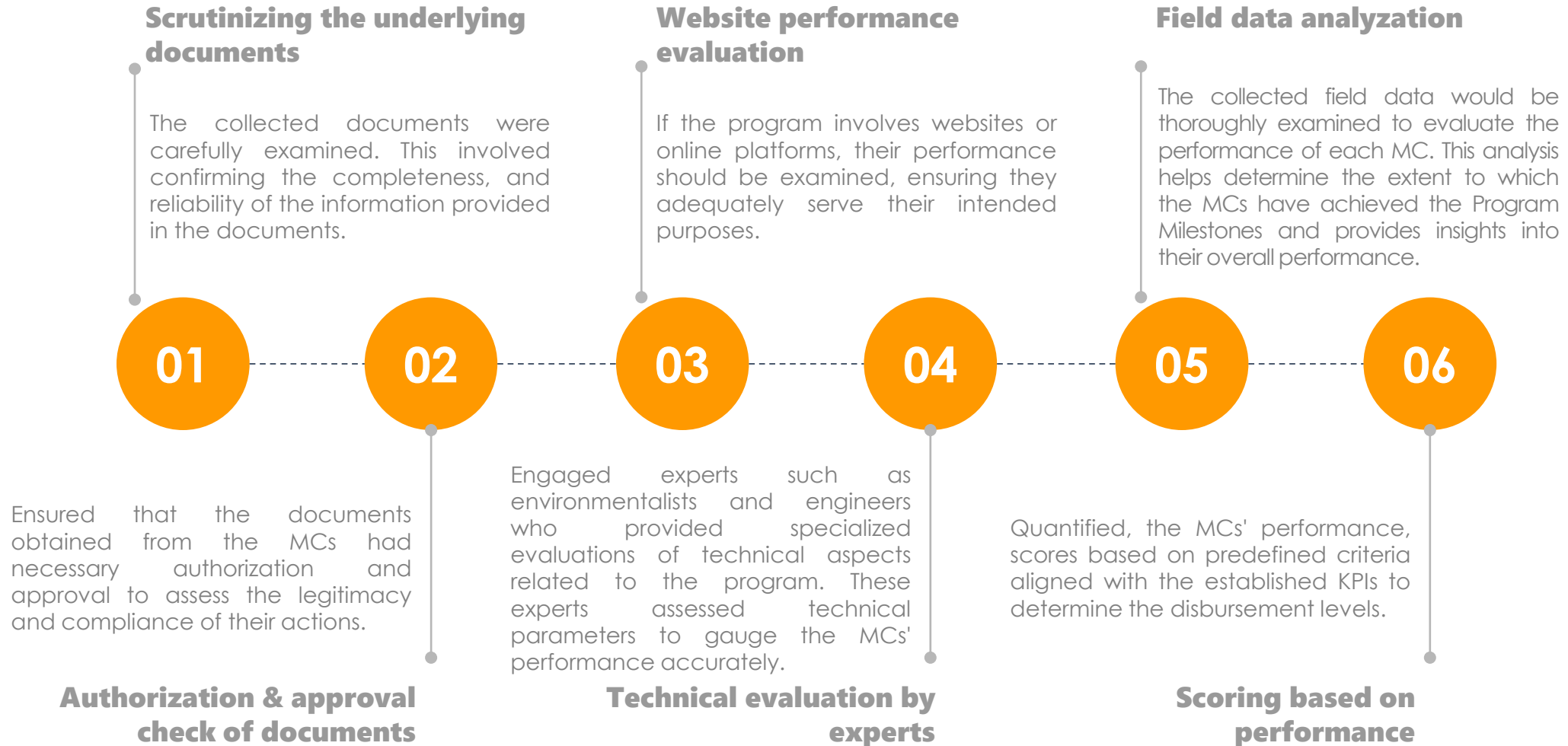


Execution – Data Collection Process

The set of indicators that form the basis of the Performance Assessment Framework are a combination of metrics that have varied nature and specifications requiring careful scrutiny. For this purpose, the aforementioned data collection tools were used to collect data from the MCs by following a series of steps presented below:



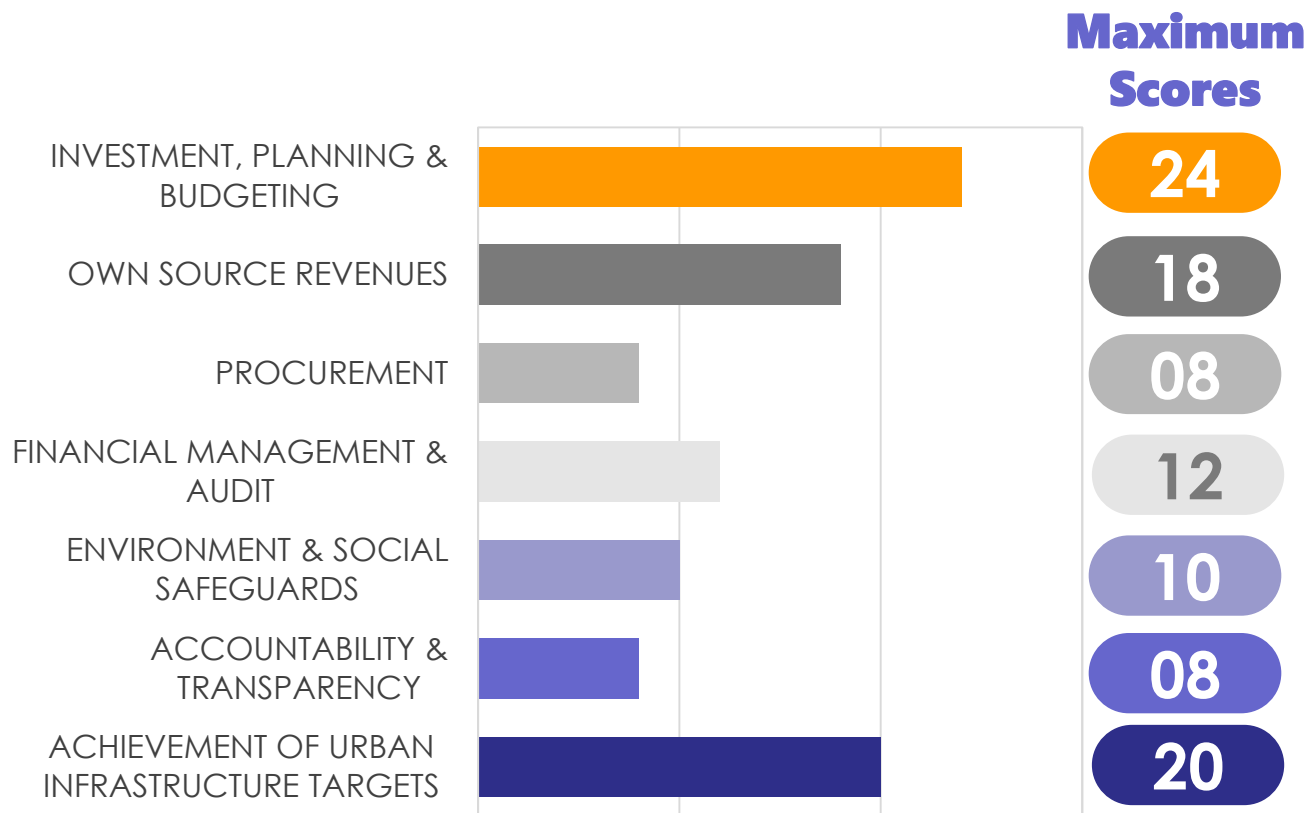
Execution – Data Analysis



Execution – Data Transforming & Scoring

The data collected for the various indicators across the Index was assigned scores. For instance, the indicator assessed if the MC has published summary of annual budget, approved sub-projects, expenditure on the website. Scoring was carried out in accordance with the scoring scheme provided in the TORs.

The program interventions had the following maximum scores as specified in the TORs. Scores were assigned according to the compliance with the performance indicators, which means that DLI-2 is also scalable, whereby disbursements were adjusted based on whether Program MCs performed better or poorer than expected (as set out in the PMs). This means that if Program MCs performed higher than expected, they received higher disbursements. This system ensured direct peer comparison and competition as an incentive to improve performance.



Execution – Quality Control

By prioritizing high-quality data collection, we ensured a comprehensive quality assurance function that effectively operated throughout all stages of the assignment.

This involved data cleaning, validation, consistency checks, and meticulous documentation of collection methods. This robust quality assurance system ensured the reliability of our data, minimized errors, and ultimately led to well-informed decisions throughout the project.

DATA COLLECTION

Daily Review of Data Sent by the Field Teams to HO



PLANNING

Methodology & Work Plan to be Reviewed



ANALYSIS & REPORTING

Review of Findings, Analysis & Report Prepared



DESIGN

Tools Developed to be Reviewed, Pre-tested & Validated



03

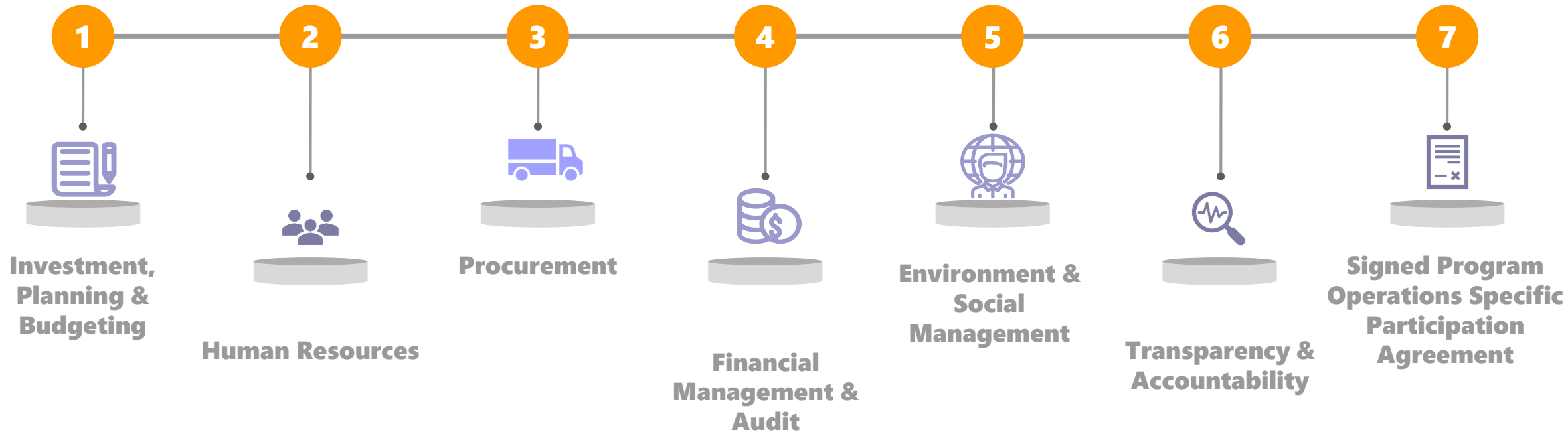
Assessment Methodology

- **Assessment Areas** **21**
- **Assessment Criteria** **33**
- **Limitations & Clarifications** **35**

Assessment Areas - DLI 1

DLI 1: Minimum Access Conditions (MACs)

DLI 1 consisted of Minimum Access Conditions (MACs). Compliance with MACs was a pre-condition to access the PBGs. Any failure to meet any MAC resulted in the disqualification of an MC from accessing its PBG for that year. All MCs are assessed against following MACs for access to DLI 1 grants (25% of total PBG envelope).





Investment, Planning & Budgeting

Minimum Access Condition

- 1.1 MC has updated infrastructure maps.
- 1.2 MC has an approved Annual Development Plan (ADP).
- 1.3 MC Annual Budget Estimates, generated from the CFMS, have been approved by Chairman/Council.
- 1.4 MC has contributed 20% co- financing for PBGs during the FY.

Verification Methodology

- a) Obtained updated maps.
- b) Ensured ongoing/approved infrastructure projects are appearing on the maps.
- c) Obtained signed copy of ADP of FY 2023-2024.
- d) Obtained approved Annual Budget for FY 2023-2024 generated from CFMS signed by MC Chairman.
- e) Ensure budget was approved/ signed within 1st quarter of the FY 2023-2024.
- f) Calculated co-financing contribution as per last sanctioned PBGs.
- g) Checked from budget of 2023-2024 the amount earmarked s co-financing for PCP.
- h) Checked from audited financial statement amount received by MC on account of co-financing.
- i) List of required documents attached as Annexure-A. (1.1).



Human Resource

Minimum Access Condition

- 2.1 MC has in place/assigned core locally appointed staff, to operate the systems.

Verification Methodology

- a) Obtained list of core-staff from MC as required in the POM.
- b) Obtained notification letter to confirm these posts were filled.
- c) List of required documents attached as Annexure-A. (1.2).



Procurement

Minimum Access Condition

- 3.1 MC has a Procurement Plan for current FY.
- 3.2 MC has functional procurement committee for relevant level of procurement in place, as per PPRA rules.

Verification Methodology

- a) Obtained Procurement plan of Year 2023-2024.
- b) Obtained letter of approval of procurement plan.
- c) Confirmed major procurements from the AP for FY 2023-2024.
- d) Obtained notification of procurement committees formulation.
- e) Obtained signed bid evaluation reports or award recommendations to confirm notified committee participated in the procurement.
- f) List of required documents attached as Annexure-A. (1.3).



Financial Management & Audit

Minimum Access Condition

- 4.1 MC has functional Computerized Financial Management System (CFMS).
- 4.2 MC cash book is generated using CFMS.
- 4.3 MC has submitted annual financial statements, to the satisfaction of auditors for the previous FY.
- 4.4 The MC has no adverse or disclaimed audit opinion for previous FY.

Verification Methodology

- a) Extracted reports from CFMS of current FY to ensure its functionality.
- b) Extracted cashbook from CFMS and confirmed balance from the manual cashbook maintained by the MC.
- c) Obtained letter from MC along with a set of financial statements submitted to the previous audit for FY 2022-2023.
- d) Obtained audit report and ensured the opinion given by the auditor is neither adverse nor disclaimed.
- e) List of required documents attached as Annexure-A. (1.4).



Environment & Social Management

Minimum Access Condition

- 5.1 MC has designated Environmental and Social Management focal persons.
- 5.2. MC has developed an environment and social management system with gender considerations, including procedures for preparation, approval, and supervision of investments..
- 5.3 MC has developed acceptable capacity to prepare, approve and supervise management instruments.

Verification Methodology

- a) Obtained list of environmental and social focal person appointed by the MCs.
- b) Obtained notification letter to confirm the posts were filled
- c) Obtained copy of ESMF.
- d) Obtained evidence of holding workshop including pictures of the training sessions, list of participants, attendance and training module/material.
- e) List of required documents attached as Annexure-A. (1.5).



Transparency & Accountability

Minimum Access Condition

- 6.1 MC has an operational website.
- 6.2 MC has functional Complaint Tracking System.
- 6.3 MC has functional Performance Management System (PMS).

Verification Methodology

- a) Visited MC website and navigate through tabs to ensure that the website is operational.
- b) Obtained CTS reports of the current month to ensure CTS is operational.
- c) Ensured PMS reports pertaining to each service area are updated up to April 2024.
- d) List of required documents attached as Annexure-A. (1.6).



Operations Specific

Minimum Access Condition

- 7.1 MC Chairman has signed Operation Participation Agreement.

Verification Methodology

- a) Obtained signed copy of the Operations Participation Agreement from the MC and ensured it is signed by the MC Chairman.
- b) List of required documents attached as Annexure-A. (1.7).

Assessment Areas - DLI 2

DLI 2: Performance Measures (PMs)

The Performance Measures for DLI 2 build on the foundations laid by MACs, and challenge the MCs to raise their performance to achieve incremental targets. Qualified MCs were able to access PBGs (75% of total PBG envelope) every year, based on scores obtained in the Annual Performance Assessment (APA). PBGs were allocated to the MCs proportionate to their performance scores (weighted with the APA score).





Investment, Planning & Budgeting

Verification Methodology

- a) Verified that O&M Plans were drawn up in conformity with O&M Manuals
- b) Confirmed that proper budget was allocated for all three services i.e. Water Supply, Sewerage and Solid waste management
- c) Analyzed the O&M Budgetary Comparison document and performed variance analysis to verify whether 80% of budgeted expenditure was spent on infrastructure and O&M or not
- d) Selected a sample of expenditure on services and infrastructure projects and verified them through inspecting vouchers and tracing them in the cash book
- e) Selected a sample from list of ongoing infrastructure projects and cross checked selected sample from list of eligible investments to ensure that sample contained eligible investment
- f) Checked whether those investments were appearing on GIS maps or not to confirm that GIS maps were used as planning tools

Performance Indicators

1.1 O&M budgeting and planning done for major infrastructure services(maximum 3 points)

- a) MC has developed O&M plans based on O&M Manuals, and allocated requisite budget allocations for Water Supply, Sewerage, and Solid Waste Management for the current FY: 1 point
- b) MC has spent above 80% of the budgeted O&M expenditures for infrastructure and services in the previous FY: 2 points

1.2 Infrastructure maps used as a planning tool (maximum 3 points)

- a) Infrastructure Maps have informed the selection of eligible priority investments: 3 points

1.3 Expenditure control of fuel and energy (maximum 10 points)

- a) Energy and fuel audit of electric/mechanical assets completed/updated for previous FY: 10 points

1.4 Asset inventory prepared and updated (maximum 3 points)

- a) Asset inventory prepared/updated up to previous FY indicating age, condition and book value of assets: 3 points

1.5 Three-year rolling IDAMP prepared and updated (maximum 5 points)

- a) Consultations have been held with all stakeholder groups, ensuring adequate representation of women: 2 points
- b) Three years, rolling IDAMPs prepared/updated per approved IDAMP guidelines: 1 point
- c) IDAMPs operationalized and serves as the basis of all capital and O&M expenditures of current FY: 2 points

- g) Obtained Energy and Fuel Audit Report and inspected to ensure that they are updated
- h) Reviewed asset inventory and confirmed that it indicates the age, condition and net book value of assets
- i) Performed cut-off on last five purchase invoices for previous FY and traced them in the asset inventory to ensure that the inventory is updated
- j) Inspected minutes of meetings of stakeholders and checked whether adequate representation of women was ensured or not
- k) Obtained copy of rolling IDAMPs from management and ensured they were consistent with the IDAMP guidelines
- l) Selected a sample of capital and O&M expenditures and checked their compliance with IDAMPs

Documents Required

List attached as Annexure A (2.1)



Own Source Revenue

Verification Methodology

- Ensured that OSR Enhancement plan has been prepared.
- Ensured that OSR Enhancement Plan is showing revenue performance analysis and OSR Strategy of previous FY.
- Obtained Working of increase in OSR and confirmed from the Financial statements of respective FYs .

Performance Indicators

2.1 Revenue Enhancement Plan prepared (maximum 3 points)

MC OSR enhancement plan has been prepared and includes:

- analysis of previous FY's revenue performance; and
- revenue enhancement strategies for previous FY.

2.2 Own Source Revenues increased (maximum 15 points)

MC has achieved a nominal percentage increase in total municipal own source revenues in previous FY:

- If increase is 3-5 percent: score 5 points;
- If increase is 6-8 percent: score 10 points;
- If increase is 9 or above percent: score 15 points

Documents Required

List attached as Annexure A (2.2)



Procurement

Verification Methodology

- a) Ensured that MC has prepared procurement plan for financial previous year.
- b) Ensured that major procurements are included in the procurement plan.
- c) Checked procurement records is available with MCs.
- d) Ensured that Bidding documents drawn up in accordance with PPRA rules 25 and 38.
- e) Ensured that Procurement Grievance Redressal Committee was notified.
- f) Ensured that Tender advertised on appropriate medium as per requirement of PPRA.
- g) Ensured that Tenders evaluated as per criteria in bidding documents and recommendation to award made accordingly.
- h) Obtained evidence of public disclosure of contract award.

Performance Indicators

3.1 Adherence to PPRA rules (Maximum 8 marks)

- MC has prepared Procurement Plan for previous FY: 2 points
- Records pertaining to procurements include the following information:
 - a) Adequate relevant auditable records on procurement process: 1 point;
 - b) Bidding documents drawn up in accordance with PPRA rule 25 and 38: 1 point;
 - c) Procurement Grievance Redressal Committee formed: 1 point;
 - d) Tender advertised on appropriate medium: 1 point;
 - e) Tenders evaluated as per criteria in bidding documents and recommendation to award made accordingly: 1 point;
 - f) Public disclosure of contract award: 1 point;

Documents Required

List attached as Annexure A (2.3)



Financial Management & Audit

Verification Methodology

Obtained and inspected the following documents generated from CFMS :

- a) Cash Book
- b) Classified Abstract
- c) Contingency Check Register
- d) Establishment Check Register
- e) Water Consumer Demand & Collection Record
- f) Shop Demand & Collection Register
- g) Bank Reconciliation
- h) Water & Shops Arrears List

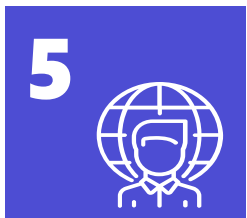
Performance Indicators

4.1 Functionality of the CFMS (Maximum 12 Points)

- CFMS generated reports for previous FY include the following (if reports NOT generated 0 points):
 - a) Cash Book: 2 points
 - b) Classified Abstract: 1 point
 - c) Contingency Check Register: 1 point
 - d) Establishment Check Register: 1 Point
 - e) Water Consumer Demand & Collection Record:1 point
 - f) Shop Demand & Collection Register: 2 points
 - g) Bank Reconciliation: 3 points
 - h) Water & Shops Arrears List: 1 point

Documents Required

List attached as Annexure A (2.4)



5 Environment & Social Safeguards

Verification Methodology

- a) Checked number of screening planned and conducted for Rehabilitation, repair and O&M and confirmed from repair and rehabilitation projects.
- b) Ensured that social & environmental screening checklist are prepared for Rehabilitation, repair and O&M
- c) Ensured number of screening conducted for new infrastructure projects were as per the plan
- d) Ensured that Social & Environmental screening checklist were prepared for new infrastructure projects
- e) Ensured that Social & Environmental screening checklist duly signed by competent authority
- f) Ensured that E&S category was assigned to each project
- g) Ensured that ESMP were prepared according to the category assigned.
- h) Ensured that assessment reports were prepared as per the ESSF.

Performance Indicators

- 5.1 Annual targets set for incremental application of environmental and social screening including gender considerations, assessment, and mitigation processes on all infrastructure investments(maximum 2 points)**
- MC has undertaken incremental application of environment and social screening (including gender considerations), assessment, and mitigation processes for:
 - a) rehabilitation, repairs, and O&M of assets: 1 point
 - b) implementation of the new infrastructure sub- projects (year 2 onwards): 1 point
- 5.2 Eligible investments screened for potential environmental and social safeguard impacts (maximum 3 points)**
- All capital investments in the previous FY are screened for potential environment and social impacts per ESSA:3 points
- 5.3 Environmental and Social Assessments, Resettlement Action Plans and other management plans for social and environmental impacts prepared and implemented (maximum 5 points)**
- E&S management plans for all capital investments in the previous FY were prepared and implemented per ESSA:5 points

Documents Required

List attached as Annexure A (2.5)



Accountability & Transparency

Verification Methodology

- Inspected websites to ensure availability of Annual budget, Sub-project details and expenditures.
- Navigated through the website to identify the required information related to CTS and PMS is available.
- On sample basis verified registered complaints, official response to those complaints and their resolution in relation to their mandate and cross checked from the information available on website
- Obtained authenticated information from chief officer related to system upgradation.
- Generated a complaint to confirm the following
 - Acknowledgement of complaint receipt
 - Reporting of complaint resolution to the complainant
 - Functionality of RTI system
- On sample basis, verified RTI requests were addressed according to SOPs of RTI Act.

Performance Indicators

6.1 Information available to citizens on MC's website (maximum 4 points)

- MC has published the following information on its website: Summary of annual budgets, approved sub- projects, expenditures (per Punjab Local Government Act 2013 Section 107 (10)): 1 point
- MC has disseminated and updated on its website, information from CTS and PMS (quarterly updates): 2 points
- MC has disseminated results of procurement Grievances Redress Mechanism decisions in Municipal Committee: 1 point

6.2 CTS transformed into Grievance Redress Management system for MC (Maximum 2 points)

- MC has undertaken and operationalized system upgrades including feedback to complainants through SMS: 2 points

6.3 MC responds to citizens' requests per Right-to-Information Act (maximum 2 points)

- MC has put in place a system to respond to citizen requests for access to information: 2 points

Documents Required

List attached as Annexure A (2.6)



Achievement of Urban Infrastructure Targets

Verification Methodology

- a) Obtained the list of projects awarded and in progress during the last FY to check the project's current status.
- b) Ensured that the approved work plans were available
- c) Ensured that the project's progress is in accordance with the work plan
- d) Ensured that project adhered to the approved technical design.
- e) Ensured that supervision framework included monitoring of progress as per work plan and approved technical design
- f) Ensured that the infrastructure contract contained clauses pertaining to gender responsive working conditions i.e. Equal Opportunity policy.
- g) Reviewed the supervision contracts and framework for all contracts.
- h) Reviewed periodic supervision reports of projects under development
- i) Obtained list of project payments made against the ongoing projects.

Performance Indicators

7.1 Urban infrastructure targets achieved (maximum 20 points)








- MC is using PBGs for eligible municipal infrastructure and service investments, whereby:
 - a) Sub-projects are implemented as per Workplan: 4 points
 - b) Sub-projects are implemented as per technical design: 3 points
 - c) Infrastructure contracts include gender responsive working conditions for workers: 3 points
 - d) Adequate construction supervision is undertaken: 3 points
 - e) All payments are made as per certificates (interim and/or completion): 4 points
 - f) Deviations are minimal between estimated, contract, and completion costs (variation under 10%): 3 points

- j) Ensured that payments vouchers were supported by interim/payment certificates
- k) Checked from Project completion report the variations in costs and obtain explanation of any variations or changes in the costs over time, including the reasons for these variations and their impact on the project's overall financial performance.





Documents Required

List attached as Annexure A (2.7)

Assessment Criteria – DLI 1

Area	Minimum Access Conditions	Desired Compliance Status
 1. Investment, Planning & Budgeting	1.1 MC has updated infrastructure maps	100%
	1.2 MC has an approved Annual Development Plan (ADP)	100%
	1.3 MC Annual Budget Estimates, generated from CFMS, approved by Chairman/Council	100%
	1.4 MC has contributed 20% co- financing for PBGs during the FY	100%
 2. Human Resources	2.1 MC has in place/assigned core locally appointed staff, to operate the systems	100%
 3. Procurement	3.1 MC has a Procurement Plan for current FY	100%
	3.2 MC has functional procurement committee as per PPRA rules.	
 4. Financial Management & Audit	4.1 Functionality of the CFMS	100%
	4.2 MC cash book is generated using CFMS	
	4.3 MC has submitted annual financial statements, to auditors for the previous FY	
	4.4 The MC has no adverse or disclaimed audit opinion for previous FY	
 5. Environment and Social Management	5.1 MC has designated Environmental and Social Management focal persons	100%
	5.2. MC has developed Environment and social management system	100%
	5.3 MC has developed acceptable capacity to prepare, approve and supervise instruments	100%
 6. Transparency and Accountability	6.1 MC has an operational Website	100%
	6.2 MC has functional Complaint Tracking System	100%
	6.3 MC has functional Performance Management System (PMS)	100%
 7. Signed Program Operations Specific Participation Agreement	7.1 MC Chairman has signed Operation Participation Agreement	100%

Assessment Criteria – DLI 2

Performance Area		Performance Indicators	Maximum Score
	1. Investment Planning & Budgeting (24 points)	O&M budgeting and planning done for major infrastructure services	3
		Infrastructure Maps used as a planning tool	3
		Expenditure control of fuel and energy	10
		Asset inventory prepared and updated	3
		Three-year rolling IDAMP prepared and updated	5
	2. Own Source Revenues (18 points)	Revenue Enhancement Plan prepared	3
		Own-source revenue increased	15
	3. Procurement (08 points)	Adherence to PPRA rules	8
	4. Financial Management & Audit (12 points)	Functionality of the CFMS	12
	5. Environment and Social Safeguards (10 points)	Annual targets set for incremental application of environmental and social screening on all infrastructure investments	2
		Eligible investments screened for potential environmental and social safeguard impacts	3
		Environmental and Social Assessments/ Action Plans prepared and implemented	5
	6. Accountability and Transparency (08 points)	Information available to citizens on MC's website	4
		CTS transformed into GRMS for MC	2
		MC responds to citizens' requests per Right-to-Information Act	2
	7. Achievement of Urban Infrastructure Targets (20 points)	Urban infrastructure targets achieved	20
Total Score			100

Limitations & Clarifications

▪ DLI-1

MAC	Means of Verification	Clarification
1.1 MC has an approved Annual Development Plan	Obtain from Chief Officer, a copy of ADP for the current FY, signed by MC Chairman	The PMDFC informed us that the government had yet to form the governing body of the MCs. Therefore, the Chairman position was vacant. Consequently, all correspondence on behalf of the MC was being carried out by the Chief Officer. Due to this, the ADP signed by the Chief Officer should be considered valid.
1.4 MC has contributed 20% co-financing for PBGs during the FY	MC has contributed 20% co-financing on eligible investments for PBGs received in the previous FY. Obtain from Municipal Officer (Finance), a copy of annual budget for current FY and <u>audited annual financial statement for previous FY</u> as evidence.	While the full PBG funds were received by the Finance Department before the close of FY 22-23, they were transferred to MCs after June 30, 2023 and accordingly was not reflected in the audited financial statements of year ending June 30, 2023. In such circumstances, receipt of co-financing were verified from Finance Department's order and bank statements of the MCs.

▪ DLI-2

Performance Measure	Means of Verification	Clarification
7.1 Urban infrastructure targets achieved(maximum 20 points)	Obtain from Chief Officer evidence on work plan; technical design documents; investment contracts awarded; supervision contract (where applicable); payment certificates, estimated, contract, and completion costs, and financial reports capturing receipts and expenditure on PBGs.	There were around 69 infrastructure projects completed or in implementation phase across all MCs, as shown in the table below. We verified at least two sub-projects per MC, one competed and one in implementation phase both having the highest value. Projects reviewed under previous APA were not considered for review for this APA. Overall 32 projects were selected from all MCs.

Project Category	Bahawalnagar	Burewala	Daska	Gojra	Hafizabad	Jaranwala	Jhang	Jhelum	Kamalia	Kamoke	Khanewal	Kot Addu	Muridke	Okara	Vehari	Wazirabad	Grand Total
General Bus Stand									1								1
Parks							1	2						2	4		5
Roads	1	1	3	3	1	1	4		2	1	2	1	2	4	4	1	31
Sewerage	1		2	5		3	4			1	1						17
SWM Parking Shed	1	1	1	1	1	1	1		1	1		1	1	1	1	1	14
Water Supply										1							1
Grand Total	3	2	6	9	2	5	10	2	4	4	3	2	3	7	5	2	69

▪ **List of Infrastructure Projects Selected for Review**

Sr. #	MC	Sector/Package Description	Estimated Cost (PKR in Million)	Completion Status
1	Bahawalnagar	Parking Shed	15.00	Completed
2	Bahawalnagar	TP-3 (Haroonabad road)	232.56	Implementation phase
3	Burewala	Parking Shed	31.22	Implementation phase
4	Burewala	Roads (18 roads)	1250.12	Implementation phase
5	Daska	Tuff Pavers	64.00	Completed
6	Daska	Storm drainage system	1003.2	Implementation phase
7	Gojra	P1 Toba-Gojra road	291.71	Completed
8	Gojra	P2-Disposal Stations and Main Force	505.45	Implementation phase
9	Hafizabad	Parking Shed	81.81	Implementation phase
10	Hafizabad	Roads (3 Nos.) Bijli Muhallah Road, Kasoki Road and Jalalpur Road	346	Completed
11	Jaranwala	Parking Shed	25.9	Completed
12	Jaranwala	P3-Rehb of drain disposal work and fixing of manhole cover	33.55	Implementation phase
13	Jhang	Tuff Pavers 6/No. roads	147.127	Completed
14	Jhang	Laying of sewerage scheme zone-1	1080.95	Completed
15	Jhelum	Rehab of 01 Existing Parks (Altaf Park)	101.18	Implementation Phase
16	Jhelum	Kalan Gujran Park	151.48	Implementation Phase
17	Kamalia	General Bus Stand	112.97	Completed
18	Kamalia	Roads (02x Tuff Pavers)	55.57	Completed
19	Kamoke	Improvement and Rehab of Roads	381.46	Implementation phase
20	Kamoke	Water Supply	367.755	Completed
21	Khanewal	Jaswant Nagar Chowk to SP Chowk, SP Chowk to Underpass road, and Iqbal Chowk to Stadium Road	231.9	Completed
22	Khanewal	Comprehensive Sewerage Scheme	1248.44	Implementation phase
23	Kot Addu	SWM Parking Shed	49.22	Implementation phase
24	Kot Addu	Roads (Tuff Pavers)	133.55	Implementation phase
25	Muridke	Improvement and Construction of Roads	258.00	Completed
26	Muridke	Canal Road	254.02	Implementation phase
27	Okara	Roads 65 tuff pavers	174.76	Implementation phase
28	Okara	Roads (MA Jinnah Rd)	197.6	Implementation phase
29	Vehari	Improvement/Rehab of Muhammadi Bakery road	60.43	Completed
30	Vehari	Improvement/Rehab of Roads 02 (Jinnah + Zoo)	150.923	Implementation phase
31	Wazirabad	Parking Shed	120.63	Implementation phase
32	Wazirabad	Improvement and rehabilitation of 04 roads & 02 Chowks	201.00	Implementation phase

▪ DLI-2

Performance Measure	Means of Verification	Clarification
7.1 Urban infrastructure targets achieved(maximum 20 points)	Obtain from Chief Officer evidence on work plan; technical design documents; investment contracts awarded; supervision contract (where applicable); payment certificates, estimated, contract, and completion costs, and financial reports capturing receipts and expenditure on PBGs.	For scoring against each performance indicator, projects selected for verification received proportionate scores. Illustration is given below for further clarity.

Illustration

Performance Area	Performance Indicator	Max. Points (A)	Max. Points per Project (A/2)	Points Scored		
				Project 1	Project 2	Total
7.1 Urban infrastructure targets achieved(maximum 20 points)	MC is using PBGs for eligible municipal infrastructure and service investments, whereby:					
	a) Sub-projects are implemented as per Work plan	4	2	2	0	2
	b) Sub-projects are implemented as per technical design	3	1.5	1.5	1.5	3
	c) Infrastructure contracts include gender responsive working conditions for workers	3	1.5	1.5	1.5	3
	d) Adequate construction supervision is undertaken	3	1.5	1.5	1.5	3
	e) All payments are made as per certificates (interim and/or completion)	4	2	2	0	2
	f) Deviations are minimal between estimated, contract, and completion costs (variation under 10%)	3	1.5	1.5	0	1.5
		20	10		Points Scores	14.5
			Points Scored (rounded off to nearest whole number)			15

04







Assessment Outcome

- **DLI -1: Aggregate Compliance Status** **39**
- **DLI 1: Aggregate Assessment** **40**
- **DLI -2: Aggregate Scoring** **43**
- **DLI -2: Aggregate Assessment** **44**

DLI 1: Aggregate Compliance Status

 Compliant

 Non-Compliant

	 Investment Planning & Budgeting	 Human Resource	 Procurement	 Financial Management & Audit	 Environment and Social Management	 Transparency and Accountability	 Signed Operations Participation Agreement	Overall Status
Bahawalnagar	✓	✓	✓	✓	✓	✓	✓	Compliant
Burewala	✓	✓	✓	✓	✓	✓	✓	Compliant
Daska	✓	✓	✓	✓	✓	✓	✓	Compliant
Gojra	✓	✓	✓	✓	✓	✓	✓	Compliant
Hafizabad	✓	✓	✓	✓	✓	✓	✓	Compliant
Jaranwala	✓	✓	✓	✓	✓	✓	✓	Compliant
Jhang	✓	✓	✓	✓	✓	✓	✓	Compliant
Jhelum	✓	✓	✓	✓	✓	✓	✓	Compliant
Kamalia	✓	✓	✓	✓	✓	✓	✓	Compliant
Kamoke	✓	✓	✓	✓	✓	✓	✓	Compliant
Khanewal	✓	✓	✓	✓	✓	✓	✓	Compliant
Kot Addu	✓	✓	✓	✓	✓	✓	✓	Compliant
Muridke	✓	✓	✓	✓	✓	✓	✓	Compliant
Okara	✓	✓	✓	✓	✓	✓	✓	Compliant
Vehari	✓	✓	✓	✓	✓	✓	✓	Compliant
Wazirabad	✓	✓	✓	✓	✓	✓	✓	Compliant

DLI 1 - Assessment Criteria

Compliant

Non-Compliant

Area	Minimum Access Conditions	Bahawalnagar	Burewala	Daska	Gojra	Hafizabad	Jaranwala	Jhang	Jhelum	Kamalia	Kamoke	Khanewal	Kot Addu	Muridke	Okara	Vehari	Wazirabad		
1. Investment, Planning & Budgeting	1.1 MC has updated infrastructure maps	Compliant	Compliant	Compliant	Compliant	Compliant	Compliant	Compliant	Compliant	Compliant	Compliant	Compliant	Compliant	Compliant	Compliant	Compliant	Compliant	Compliant	
	1.2 MC has an approved Annual Development Plan (ADP)	Compliant	Compliant	Compliant	Compliant	Compliant	Compliant	Compliant	Compliant	Compliant	Compliant	Compliant	Compliant	Compliant	Compliant	Compliant	Compliant	Compliant	
	1.3 MC Annual Budget Estimates, generated from CFMS, approved by Chairman/Council (Note-1)	Compliant	Compliant	Compliant	Compliant	Compliant	Compliant	Compliant	Compliant	Compliant	Compliant	Compliant	Compliant	Compliant	Compliant	Compliant	Compliant	Compliant	Compliant
	1.4 MC has contributed 20% co- financing for PBGs during the FY (Note-1)	Compliant	Compliant	Compliant	Compliant	Compliant	Compliant	Compliant	Compliant	Compliant	Compliant	Compliant	Compliant	Compliant	Compliant	Compliant	Compliant	Compliant	Compliant
2. Human Resources	2.1 MC has in place/assigned core locally appointed staff, to operate the systems	Compliant	Compliant	Compliant	Compliant	Compliant	Compliant	Compliant	Compliant	Compliant	Compliant	Compliant	Compliant	Compliant	Compliant	Compliant	Compliant	Compliant	Compliant

Note 1: Please see clarifications on page 35 of the report.

DLI 1 - Assessment Criteria

Compliant

Non-Compliant

Area	Minimum Access Conditions	Bahawalnagar	Burewala	Daska	Gojra	Hafizabad	Jaranwala	Jhang	Jhelum	Kamalia	Kamoke	Khanewal	Kot Addu	Muridke	Okara	Vehari	Wazirabad			
3. Procurement	3.1 MC has a Procurement Plan for current FY	Compliant	Compliant	Compliant	Compliant	Compliant	Compliant	Compliant	Compliant	Compliant	Compliant	Compliant	Compliant	Compliant	Compliant	Compliant	Compliant	Compliant		
	3.2 MC has functional procurement committee, at each level, as per PPRA rules.	Compliant	Compliant	Compliant	Compliant	Compliant	Compliant	Compliant	Compliant	Compliant	Compliant	Compliant	Compliant	Compliant	Compliant	Compliant	Compliant	Compliant	Compliant	
4. Financial Management & Audit	4.1 Functionality of the CFMS	Compliant	Compliant	Compliant	Compliant	Compliant	Compliant	Compliant	Compliant	Compliant	Compliant	Compliant	Compliant	Compliant	Compliant	Compliant	Compliant	Compliant	Compliant	
	4.2 MC cash book is generated using CFMS	Compliant	Compliant	Compliant	Compliant	Compliant	Compliant	Compliant	Compliant	Compliant	Compliant	Compliant	Compliant	Compliant	Compliant	Compliant	Compliant	Compliant	Compliant	
	4.3 MC has submitted annual financial statements, to the satisfaction of the auditors for the previous FY	Compliant	Compliant	Compliant	Compliant	Compliant	Compliant	Compliant	Compliant	Compliant	Compliant	Compliant	Compliant	Compliant	Compliant	Compliant	Compliant	Compliant	Compliant	Compliant
	4.4 The MC has no adverse or disclaimed audit opinion for previous FY	Compliant	Compliant	Compliant	Compliant	Compliant	Compliant	Compliant	Compliant	Compliant	Compliant	Compliant	Compliant	Compliant	Compliant	Compliant	Compliant	Compliant	Compliant	Compliant

DLI 1 - Assessment Criteria

Compliant

Non-Compliant

Area	Minimum Access Conditions	Bahawalnagar	Burewala	Daska	Gojra	Hafizabad	Jaranwala	Jhang	Jhelum	Kamalia	Kamoke	Khanewal	Kot Addu	Muridke	Okara	Vehari	Wazirabad
5. Environment and Social Safeguards	5.1 MC has designated Environmental and Social Management focal persons	Compliant	Compliant	Compliant	Compliant	Compliant	Compliant	Compliant	Compliant	Compliant	Compliant	Compliant	Compliant	Compliant	Compliant	Compliant	Compliant
	5.2. MC has developed Environment and social management system	Compliant	Compliant	Compliant	Compliant	Compliant	Compliant	Compliant	Compliant	Compliant	Compliant	Compliant	Compliant	Compliant	Compliant	Compliant	Compliant
	5.3 MC has developed acceptable capacity to prepare, approve and supervise instruments	Compliant	Compliant	Compliant	Compliant	Compliant	Compliant	Compliant	Compliant	Compliant	Compliant	Compliant	Compliant	Compliant	Compliant	Compliant	Compliant
6.Accountability and Transparency	6.1 MC has an operational Website	Compliant	Compliant	Compliant	Compliant	Compliant	Compliant	Compliant	Compliant	Compliant	Compliant	Compliant	Compliant	Compliant	Compliant	Compliant	Compliant
	6.2 MC has functional Complaint Tracking System	Compliant	Compliant	Compliant	Compliant	Compliant	Compliant	Compliant	Compliant	Compliant	Compliant	Compliant	Compliant	Compliant	Compliant	Compliant	Compliant
	6.3 MC has functional Performance Management System (PMS)	Compliant	Compliant	Compliant	Compliant	Compliant	Compliant	Compliant	Compliant	Compliant	Compliant	Compliant	Compliant	Compliant	Compliant	Compliant	Compliant
7. Signed Program Operation Specific Participation Agreement	7.1 MC Chairman has signed Operation Participation Agreement	Compliant	Compliant	Compliant	Compliant	Compliant	Compliant	Compliant	Compliant	Compliant	Compliant	Compliant	Compliant	Compliant	Compliant	Compliant	Compliant

DLI 2: Aggregate Scoring



Investment Planning & Budgeting

(24 points)



Own Source Revenues

(18 points)



Procurement

(08 points)



Financial Management & Audit

(12 points)



Environment and Social Safeguards

(10 points)



Accountability And Transparency

(08 points)



Urban Infrastructure

(20 points)

Total Score of MC

(100 points)

	Investment Planning & Budgeting (24 points)	Own Source Revenues (18 points)	Procurement (08 points)	Financial Management & Audit (12 points)	Environment and Social Safeguards (10 points)	Accountability And Transparency (08 points)	Urban Infrastructure (20 points)	Total Score of MC (100 points)
Bahawalnagar	21	18	8	12	10	8	17	94
Burewala	21	18	6	12	10	8	13	88
Daska	20	13	8	12	10	8	15	86
Gojra	20	18	8	12	10	8	15	91
Hafizabad	21	18	8	12	10	8	15	92
Jaranwala	20	17	7	12	10	8	14	88
Jhang	20	18	8	12	10	8	15	91
Jhelum	21	18	8	12	10	8	11	88
Kamalia	20	18	8	12	10	8	15	91
Kamoke	20	18	8	12	10	8	17	93
Khanewal	21	18	8	12	10	8	17	94
Kot Addu	20	18	8	12	10	8	13	89
Muridke	21	18	7	12	10	8	17	93
Okara	21	18	8	12	10	8	15	92
Vehari	20	18	7	12	10	8	15	90
Wazirabad	20	17	8	12	10	8	12	87
Average Score	20	18	7	12	10	8	15	90

DLI 2: Aggregate Assessment

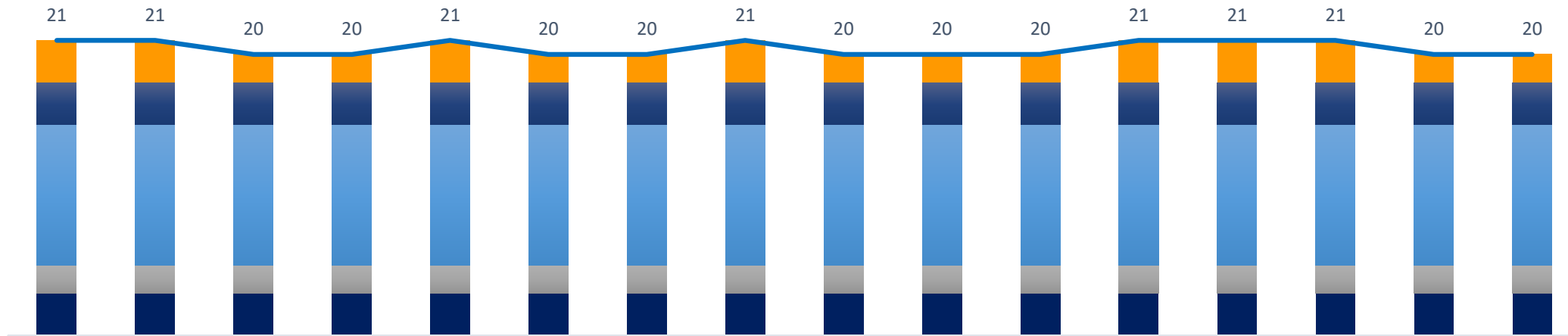
Performance Measure 1: Investment Planning and Budgeting (24 points)

Result Area 1 (Investment Planning and Budgeting) was focused on five dimensions mainly emphasizing on:

- O&M Planning and Budgeting;
- Utilization of infrastructure maps to identify priority interventions;
- Expenditure control on fuel and energy;
- Asset inventory; and
- Asset management plan.

Assessment results of the area are summarized as:

Total
24
Points



	Bahawalnagar	Burewala	Daska	Gojra	Hafizabad	Jhang	Jaranwala	Jhelum	Kamalia	Kamoke	Kot Addu	Khanewal	Muridke	Okara	Vehari	Wazirabad
O&M Planning & Budgeting	3	3	2	2	3	2	2	3	2	2	2	3	3	3	2	2
Utilization of GIS maps	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3
Expenditure Control	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10
Asset Inventory	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2
IDAMP	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3
Total	21	21	20	20	21	20	20	21	20	20	20	21	21	21	20	20

A: O&M Planning & Budgeting

- i. O&M manuals were prepared, and an O&M plan was drawn on the basis of the O&M manuals. However, the following deficiencies were observed in the O&M Plan when compared to the Annual Budget Statements:

MC	Findings
Daska	The budget provide did not include the budgets of solid waste management and sewerage.
Kot Addu	O&M plan of all services did not match with Annual Budget Statement and IDAMP.
Gojra & Jarawanwala	Amount allocated for manpower under the head "Sewerage" differed from the allocation made in IDAMP and Annual Budget Statement.
Wazirabad & Kamoke	Manpower budget was not bifurcated according to the services in the Annual Budget Statement.

- ii. Kamalia, Vehari and Jhang spent less than 80% of the O&M budget during the last FY. However, the same was made through cashbook and vouchers.

B: Infrastructure maps used as planning tools

- i. We reviewed the GIS infrastructure maps of each MC and the priority interventions lists. We found that they were effectively utilized as evidence-based planning tools for identifying priority investments.

C: Expenditure Control of Fuel & Energy

- i. Energy and fuel audit reports updated till 2023 were provided and implementation status of the Energy Management Plan checked during the visit of MCs. █

D: Asset Inventory Prepared and Updated

- i. The asset inventory register as per IDAMP was prepared by each MC. To confirm its completeness, we verified last few transactions of previous financial year on sample basis and found it updated.

D: Asset Inventory Prepared and Updated

ii. We observed significant discrepancies in the book value of a few assets that were traced in the IDAMPs. Instances noted are reported below:

MC	Asset Type	No. of units	Invoice date	Age (Years)	Invoice value Approximately (Rs. In million)	Book Value Shown in IDAMP (Rs. In million)	Difference (Rs. In million)
Bahawalnagar	Mini tippers 1 cubic meter Suzuki Pickup	10	10/18/2022	1	14.24	1.9	12.34
Burewala	Garbage compactor 8.0 cubic meter capacity	4	4/27/2023	1	35.19	4.39	30.80
Daska	Mini tipper 1.0 cubic meter	4	2/28/2022	2	4.47	1.47	3.00
Hafizabad	Tractor for Mechanical Sweeper	1	12/6/2023	1	4.28	2.84	1.44
Jaranwala	Motor cycle 70cc	4	12/20/2022	1	0.49	0.088	0.40
Jhelum	Mini Tipper 1 cubic meter capacity	6	11/21/2022	1	10.61	1.92	8.69
Jhang	Mini Tipper 1	12	12/30/2022	1	15.71	1.49	14.22
Kamalia	Mini tipper	5	9/21/2022	1	7.12	2.18	4.94
Khanewal	Mini tipper	3	9/16/2022	1	4.27	1.66	2.61
Kot Addu	Tractor MF 385 4DW	1	12/21/2022	1	3.08	2.88	0.20
Okara	Garbage compactor 8.0 cubic meter capacity	7	11/11/2021	2	42.00	9.11	32.89

It is recommended that the consultant (EY) who prepared the IDAMPs should review the estimation basis and verify the book values of all reported assets.

E: Three-year Rolling IDAMP Prepared and Updated

i. The minutes of the consultative sessions were provided for assessment purposes. To evaluate female representation, we checked the session attendance list, which was duly signed by all participants. Additionally, we confirmed women's representation through pictorial evidence of the sessions attached to the minutes. All MCs ensured adequate women representation in the consultative sessions.

E: Three-year Rolling IDAMP Prepared and Updated

- ii. Three years rolling IDAMPs were prepared for all MCs in accordance with the IDAMP guidelines for the following pertinent issues:
- Coding scheme was available in the IDAMP, however, codes were not assigned to the assets. MCs are currently integrating AMIS and IDAMPs. While the coding has been completed in AMIS, it needs to be reflected in the IDAMPs.
 - Book value of assets need thorough review as discussed in the above finding.
- iii. IDAMPs were operationalized during the year, all capital investments were identified on the basis of the IDAMP. Further, O&M expenses pertaining to the assets were also derived from the IDAMPs, however, following differences were identified when compared with the O&M Plans and the Annual Budget Statements:

MC	Findings
Wazirabad	POL expense was not mentioned in IDAMP for SWM.
Daska	The total amount allocated in IDAMP for O&M of the Water Supply differed from the O&M plans.
Jaranwala	No budget was allocated except for manpower in IDAMP for water supply.
Burewala	The amount shown in IDAMP differed for supply items and contingencies for solid waste management.
Bahawalnagar	The total amount shown in million was incorrect for all services
Jhelum	There was no allocation for Supply items in IDAMP under the water supply head, and the Supply items cost was allocated in IDAMP under the sewerage head.
Hafizabad	The contingencies in IDAMP were overstated and the total was not correct under the water supply head. Additionally, the Total in IDAMP was not correct under the SWM head.
Okara	The Total in IDAMP was not correct under the SWM head and the Amount in million in IDAMP was incorrect under the sewerage head.
Gojra	The amount in million was wrongly mentioned in IDAMP.
Jhang	The contingencies allocated in the budget and O&M plan were 3 million, while in IDAMP it was 1 million under the water supply head. Additionally, the Supply items cost was allocated in IDAMP only, and the Budget in million Rs. was wrongly mentioned in IDAMP under the sewerage head. Finally, the contingencies in the O&M plan and budget were 1 million, while in IDAMP 10.3 million was allocated.
Khanewal	The amount of Rs. 1,200,000 budgeted in ABS against repair of machinery under the Solid Waste Management was not budgeted in the O&M Plans and IDAMP.
All MCs	Annexures were referred in the O&M Plan but not attached with the IDAMP.

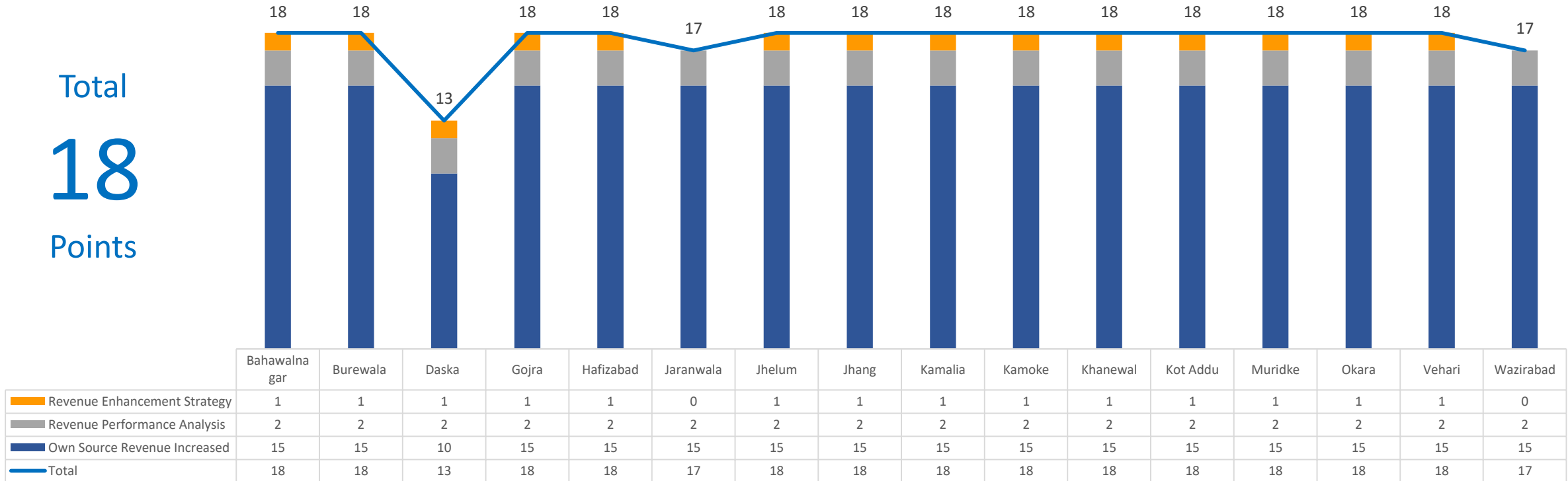
Aggregate Assessment (DLI-2)

Performance Measure 2: Own Source Revenue (18 points)

Result Area 2 (Own source revenue) was focused on the areas mainly emphasizing on:

- OSR enhancement plan including detailed analysis of each main source of revenue,
- Strategy for OSR and
- Increase in OSR as compared to previous year.

Assessment results of the area are summarized as:



A: Revenue Enhancement Plan and Analysis

- I. A commitment to maximizing Own Source Revenue (OSR) is evident through the development of a revenue enhancement plan and the analysis of prior year's revenue growth. However, a more detailed breakdown within the proposed revenue enhancement plan would be beneficial. Furthermore, while MCs have prepared an OSR strategy and plan, the process followed warrants review. In the following instances, the OSR enhancement plan was developed before the OSR enhancement strategy was formulated:
- Jaranwala: Enhancement plan was prepped on 18/01/2023 while strategy was finalized later on 23/02/2022;
 - Wazirabad: Enhancement plan was prepared on 30/09/2022 while strategy was prepared later on 10/12/2022.
- II. The comparison of OSR reported in the audited financial statements of 2022-2023 with 2021-2022 revealed an overall increase of 13% across all MCs. PMDFC was of the view that revenue from Urban Immovable Property Tax should be included in the analysis since it constitutes revenue of the Local Government, even though the Excise Department handles collection. Consequently, Urban Immovable Property Tax was factored in when determining OSR for the year and scores were assigned accordingly:

Sr. No.	MC Name	2022-2023 (PKR)	2021-2022 (PKR)	Variation (PKR)	Percentage Increase
1	Bahawalnagar	203,950,165/-	169,829,485/-	34,120,680/-	20%
2	Burewala	377,033,859/-	346,104,009/-	30,929,850/-	9%
3	Daska	197,310,208/-	182,340,346/-	14,969,862/-	8%
4	Gojra	256,762,224/-	226,027,234/-	30,734,990/-	14%
5	Hafizabad	147,056,453/-	134,577,688/-	12,478,765/-	9%
6	Jaranwala	136,711,271/-	120,563,856/-	16,147,415/-	13%
7	Jhang	228,361,752/-	205,878,822/-	22,482,930/-	11%
8	Jhelum	548,208,315/-	480,625,252/-	67,583,063/-	14%
9	Kamalia	97,249,690/-	79,448,004/-	17,801,686/-	22%
10	Kamoke	88,794,379/-	81,312,553/-	7,481,826/-	9%
11	Khanewal	141,918,406/-	126,182,665/-	15,735,741/-	12%
12	Kot Addu	78,523,800/-	69,612,225/-	8,911,575/-	13%
13	Muridke	120,551,571/-	95,995,523/-	24,556,048/-	26%
14	Okara	321,229,820/-	287,809,649/-	33,420,171/-	12%
15	Vehari	207,893,256/-	184,174,970/-	23,718,286/-	13%
16	Wazirabad	133,530,762/-	121,443,180/-	12,087,582/-	10%

A: Revenue Enhancement Plan and Analysis

- iii. For additional information, a table showing OSR excluding revenue generated from Urban Immovable Property Tax is provided below. Please note that this information does not impact the scores assigned against this DLI :

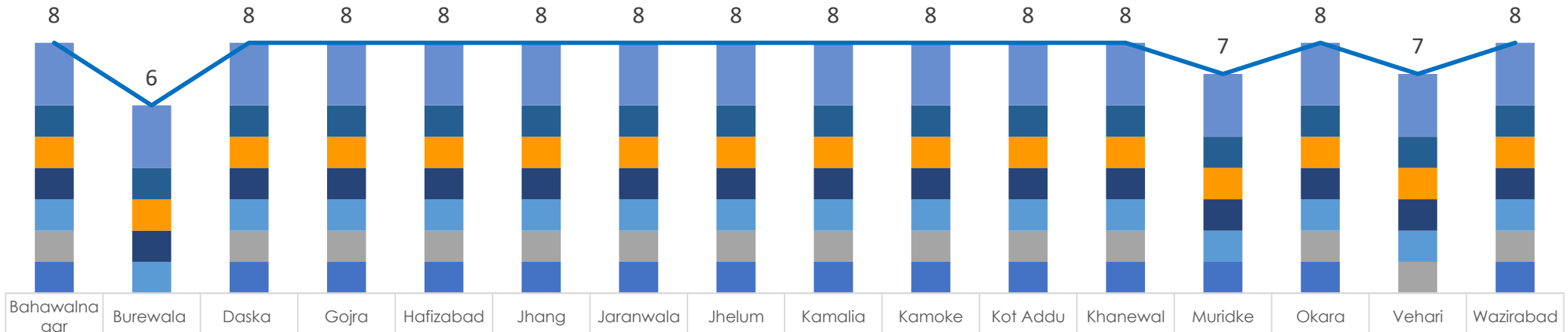
Sr. No.	MC Name	2022-2023 (PKR)	2021-2022 (PKR)	Variation (PKR)	Percentage Increase
1	Bahawalnagar	188,506,740/-	155,347,248/-	33,159,492/-	21%
2	Burewala	324,775,408/-	293,758,173/-	31,017,235/-	11%
3	Daska	164,916,104/-	146,643,856/-	18,272,248/-	12%
4	Gojra	224,780,860/-	190,966,139/-	33,814,721/-	18%
5	Hafizabad	122,929,064/-	112,651,354/-	10,277,710/-	9%
6	Jaranwala	107,203,255/-	87,152,971/-	20,050,284/-	23%
7	Jhang	171,354,142/-	161,389,950/-	9,964,192/-	6%
8	Jhelum	478,762,743/-	416,258,132/-	62,504,611/-	15%
9	Kamalia	80,531,994/-	68,239,477/-	12,292,517/-	18%
10	Kamoke	73,039,704/-	67,492,752/-	5,546,952/-	8%
11	Khanewal	110,845,820/-	91,823,119/-	19,022,701/-	21%
12	Kot Addu	68,443,560/-	61,886,921/-	6,556,639/-	11%
13	Muridke	108,041,660/-	83,259,097/-	24,782,563/-	30%
14	Okara	265,887,491/-	240,898,339/-	24,989,152/-	10%
15	Vehari	172,174,070/-	145,378,438/-	26,795,632/-	18%
16	Wazirabad	108,821,983/-	99,409,629/-	9,412,354/-	9%

Aggregate Assessment (DLI-2)

Performance Measure 3 – Procurement (8 points)

This result area required MCs to prepare a Procurement Plan and ensured adherence to PPRA rules with respect to management of procurement record, preparation of legally compliant bidding documents, formation of grievance redressal committee, advertisement of tender as per PPRA requirements, bid evaluations as per criteria specified in the bid documents and public disclosure of contract award to ensure transparency in the process.

Total
08
Points



	Bahawalnagar	Burewala	Daska	Gojra	Hafizabad	Jhang	Jaranwala	Jhelum	Kamalia	Kamoke	Kot Addu	Khanewal	Muridke	Okara	Vehari	Wazirabad
Plan	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2
Auditable record	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1
Bidding compliance	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1
Committee formed	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1
Advertisement	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1
Tender evaluation	1	0	1	1	1	1	1	1	1	1	1	1	0	1	1	1
Public disclosure	1	0	1	1	1	1	1	1	1	1	1	1	1	1	0	1
Total	8	6	8	8	8	8	8	8	8	8	8	8	7	8	7	8

A: Adherence to PPRA Rules

Procurement carried out by the MCs were reviewed to ensure compliance with the PPRA Rules. Following instances of non-compliance were noted:

i. In case of the following procurements the evaluation was not carried out in accordance with the criteria devised in the Bidding document:

Mc	Project	Findings
Muridke	Procurement of Aerial Platform for street lights	a) "Truck chassis authority letter requirement" was not evaluated in the ER.
Burewala	Rehabilitation and improvement of roads and street lights	a) Eligibility assessment was missing in the Technical Evaluation Report; b) Two disqualified firms (scoring below the minimum qualifying marks) were included in the financial evaluation, contradicting the BD criteria c) Parking shed evaluation criteria (financial soundness, experience, equipment) in the ER don't align with the BD.

ii. Award of contract was not disclosed on MCs websites:

Mc	Project
Jaranwala	a) Monitoring and Tracking System on Vehicles
Burewala	a) Rehabilitation and Improvement of Roads and Street Lights b) Construction of SWM Parking Shed
Vehari	a) Improvement/Rehab of Roads 02 (Sharqi Colony + Seed farm)

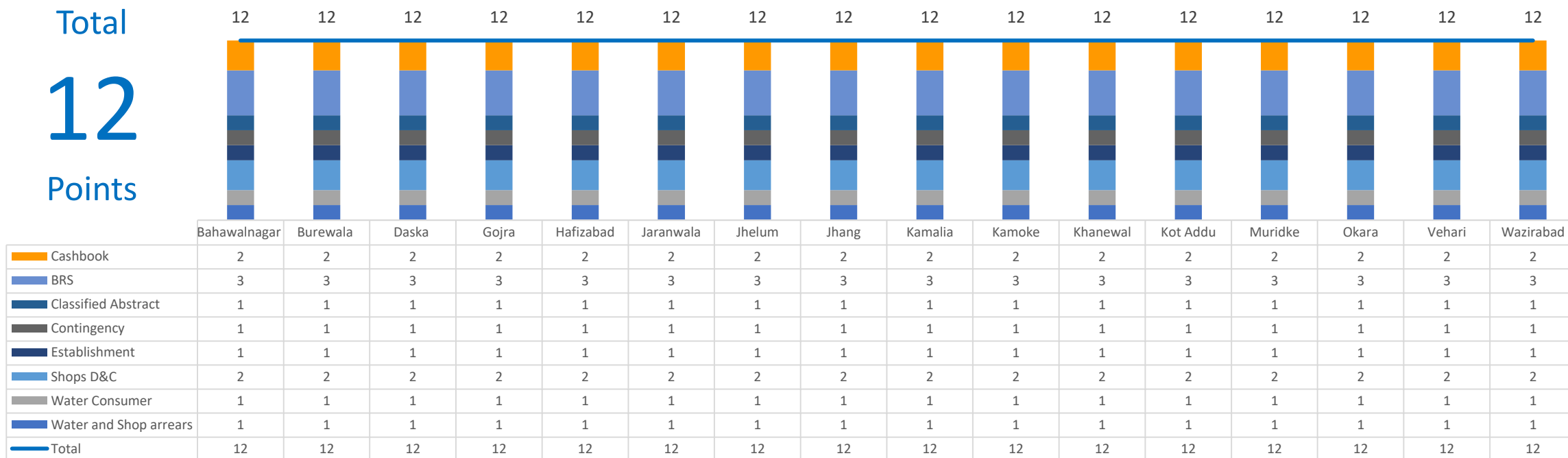
Aggregate Assessment (DLI-2)

Performance Measure 4: Financial Management and Audit (12 points)

Financial Management and Audit required the MCs to have functional CFMS. For this purpose, system generated reports of current FY (2022-2023) were based for performance assessment.

- Cashbook
- Bank Reconciliation Statement
- Classified Abstract
- Contingency Check Register
- Establishment check Register
- Shops Demand & Collection Register
- Water Consumer and Demand & Collection Register
- Water and shop Arrears List

Assessment results of the area are summarized as:



A: Functionality of CFMS

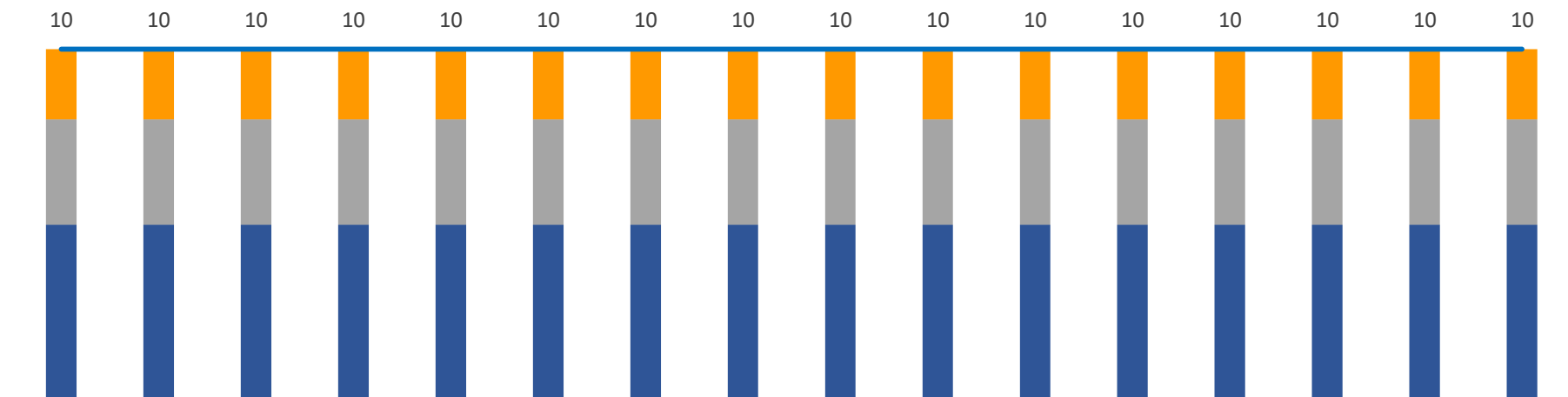
- i. The financial reports for the year 2022-2023 were extracted from CFMS to assess functionality. However, it was noted that none of the reports generated by the system include a date and time stamp.

Aggregate Assessment (DLI-2)

Performance Measure 5- Environmental and Social Safeguards (10 points)

This area involved assessment of environmental and social management system and practices deployed by the MCs for rehabilitation and new infrastructure projects. Key environmental and social consideration assessed encompasses; incremental application of E&S screening, assessment and mitigation process, screening of all projects for E&S impacts, drawing E&S management plans and implementation of such plan.

Total
10
Points



	Bahawalnagar	Burewala	Daska	Gojra	Hafizabad	Jaranwala	Jhelum	Jhang	Kamalia	Kamoke	Khanewal	Kot Addu	Muridke	Okara	Vehari	Wazirabad
Annual Incremental targets of E&S achieved	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2
Eligible investments screened	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3
E&S Management Plans/ Instruments	5	5	5	5	5	5	5	5	5	5	5	5	5	5	5	5
Total	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10

A: Environmental & Social Safeguards

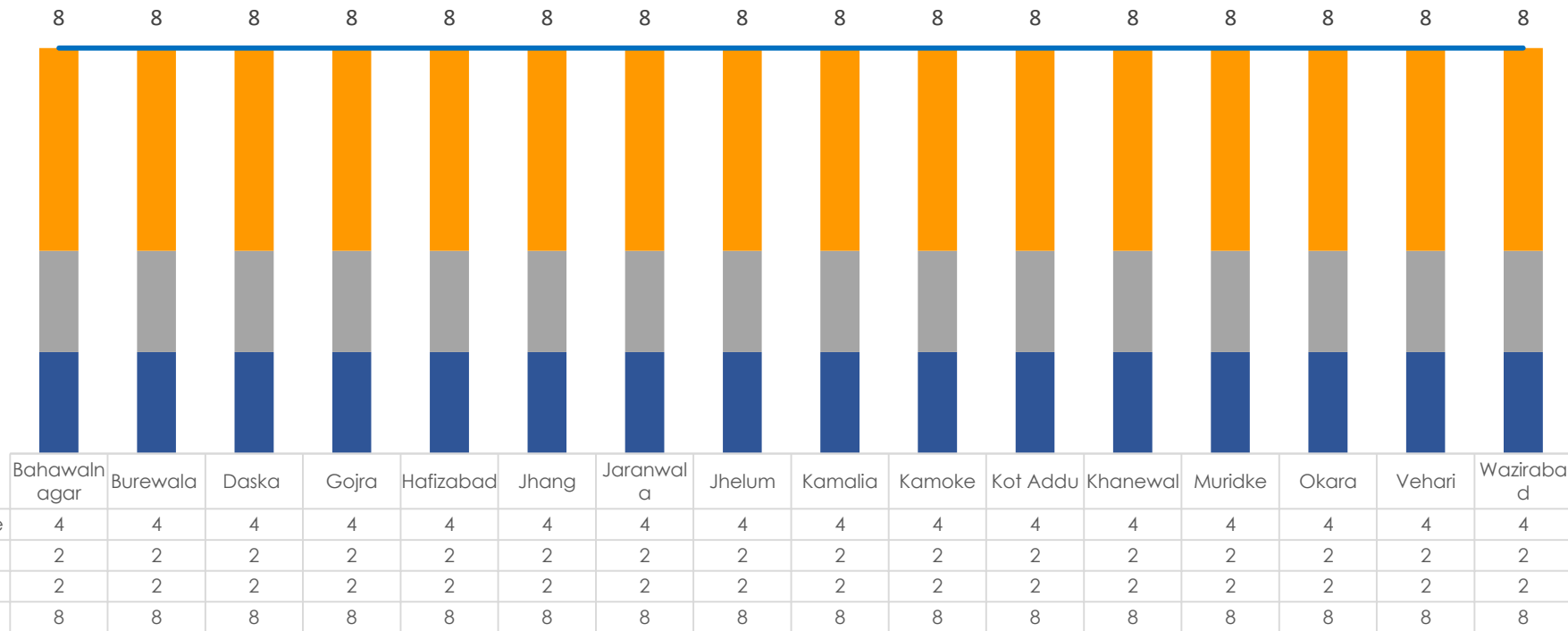
- i. Annual targets set for incremental application of environmental and social screening including gender consideration were achieved for all capital investments i.e. rehabilitation/ repair of existing assets as well as for new capital investments projects and scores were assigned accordingly. Comprehensive gender action plans were available at the MCs to address gender issues in infrastructure projects. These plans considered the specific needs of workers, including men, women, and girls, and aimed to ensure equal opportunities for all. The examination of relevant documents indicated that both men and women were given representation and work opportunities within the projects.
- ii. Furthermore, detailed environmental and social screening was conducted for all projects, and records of these screenings were maintained as environmental profiling. This screening process helped assess the potential environmental and social impacts of the projects and identify necessary mitigation measures.
- iii. Based on the screening results, the projects were categorized according to the guidelines of the Environmental and Social Safeguard Assessment (ESSA). This categorization enabled the MCs to appropriately address the environmental and social aspects of each project, ensuring compliance with relevant standards and regulations.
- iv. In line with the requirements of the ESSA and Environmental and Social Management Framework (ESMF), E&S instruments and plans were prepared by all MCs. These instruments and plans provided guidelines and strategies for managing and mitigating environmental and social risks associated with the projects.

Aggregate Assessment (DLI-2)

Performance Measure 6: Accountability & Transparency (8 points)

This area was aimed to enhance transparency, foster public trust, and ensure effective oversight and governance using the service-related information available on the MCs website. Assessment areas included information dissemination through MC website to the citizens like budget and expenditure statements, CTS and PMS updates, decisions on the grievances raised. Apart from this, MCs were required to have in place an automated GRM system and mechanism to respond to citizen request for access of information.

Total
08
Points



A: Transparency & Accountability

- i. Evaluating this performance measure involved assessing publicly available information on the respective MC's websites, including CTS and PMS data. All required reports were accessible for citizen review. Furthermore, transparency in the grievance redressal process was ensured as relevant committees were notified, and minutes of their meetings were uploaded to the websites. Additionally, the RTI mechanism was implemented across all MCs, with a dedicated register maintained for citizen requests.

Aggregate Assessment (DLI-2)

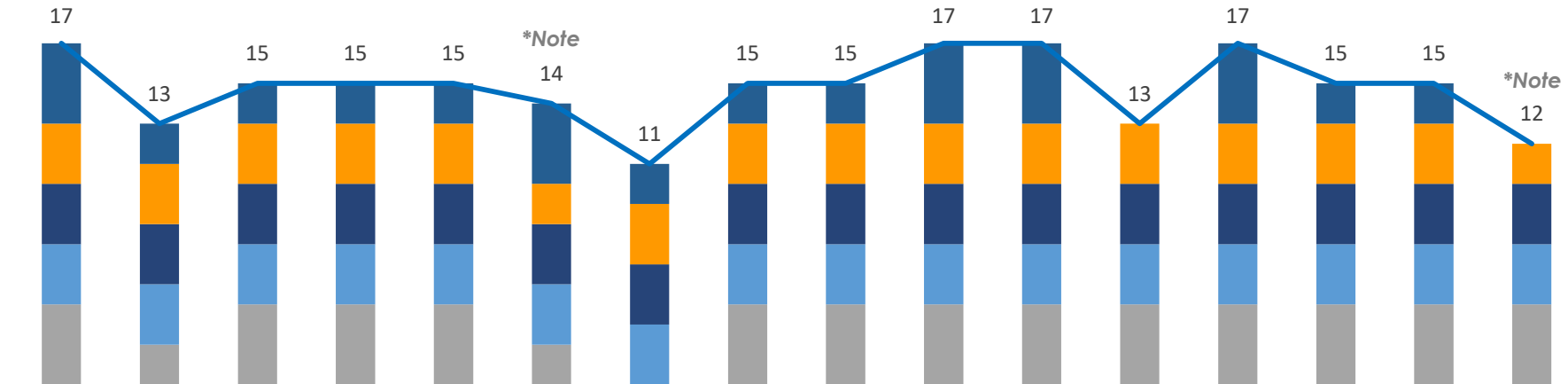
Performance Measure 7: Urban Infrastructure (20 points)

Performance against the Urban Infrastructure PM was assessed on the basis of the following indicators. It is important to note that for assessment purpose, only projects that were initiated up till May 15th, 2023 were taken into consideration.

- Sub-projects are implemented as per Work plan
- Sub-projects are implemented per Technical Sanction
- Infrastructure contracts included gender responsive working conditions for workers
- Adequate construction supervision was undertaken
- All payments were made as per certificates (interim and/or completion) and deviations were minimal between estimated, contract, and completion costs (variation under 10%)

Assessment results of the area are summarized as follows:

Total
20
Points



	Bahawalnagar	Burewala	Daska	Gojra	Hafizabad	Jaranwala	Jhelum	Jhang	Kamalia	Kamoke	Khanewal	Kot Addu	Muridke	Okara	Vehari	Wazirabad
Implementation as per Work plan	4	2	2	2	2	4	2	2	2	4	4	0	4	2	2	0
Implementation as per Technical Sanction	3	3	3	3	3	2	3	3	3	3	3	3	3	3	3	2
Gender responsive working conditions clauses	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3
Adequate supervision undertaken	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3
Payments as per certificates	4	2	4	4	4	2	0	4	4	4	4	4	4	4	4	4
Cost Variation are minimal	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total	17	13	15	15	15	14	11	15	15	17	17	13	17	15	15	12

Note: Scores rounded off to the nearest whole number.

A: Urban Infrastructure

- i. Infrastructure projects were undertaken by all MCs. As discussed with the World Bank, for review, we selected one completed project and one project currently under implementation, with each project chosen from the highest value category. Each MC received a proportionate score based on their achievement of the DLIs in the two reviewed projects.
- ii. Following projects were facing some delays as per the updated workplan, but the work being performed was in accordance with the technical design of the project:

MCs	Projects	Delay time
Wazirabad	SWM Parking Shed	40 days
Wazirabad	Improvement and rehabilitation of 04 roads & 02 Chowks	104 days
Kamalia	General Bus Stand	21 days
Hafizabad	Bijli Mohala Road	15 days
Daska	Strom Drainage System	25 days
Burewala	SWM Parking Shed	189 days
Vehari	Improvement/Rehab of Muhammadi Bakery road	189 days
Okara	MA Jinnah Road Project	45 days
Gojra	P1 Toba- Gojra Road	197 days
Jhelum	Rehab of 01 Existing Parks (Altaf Park)	130 days; project on hold
Jhang	Tuff Pavers 6/No Roads	187 days
Kot Addu	Roads (Tuff Pavers)	20 days
Kot Addu	SWM Parking Shed	15 days

A: Urban Infrastructure

iii. During the project review process, it was observed that overall the projects were implemented as per the approved design however following quality-related issues were identified :

MCs	Projects	Issue
Wazirabad	Improvement & Rehabilitation of 4 Road and 2 Chowks Project	Nuts and bolts of the electrical poles were not properly treated during the electrical work
Jaranwala	SWM Parking Shed	Manhole requires repair.

iv. The gender responsiveness clause was included in all executed infrastructure contracts, as a part of standard form of contract. For supervision of projects during the execution phase, independent external consultants were engaged who performed their work adequately.

v. Supervision was performed by an independent consultant and updated reports were made available for our review.

vi. The payments where made were in accordance with the IPCs submitted. However, the following projects of the MCs did not receive scores for this DLI because contractors did not submit IPCs for the below mentioned reasons:

MCs	Projects	Physical Progress
Burewala	Parking Shed	80%
Jaranwala	Drainage system	Project has just started
Jhelum	Construction of Kalan Gijran Park	Project has just started
Jhelum	Construction of Altaf Park	Construction is halted due to legal issues

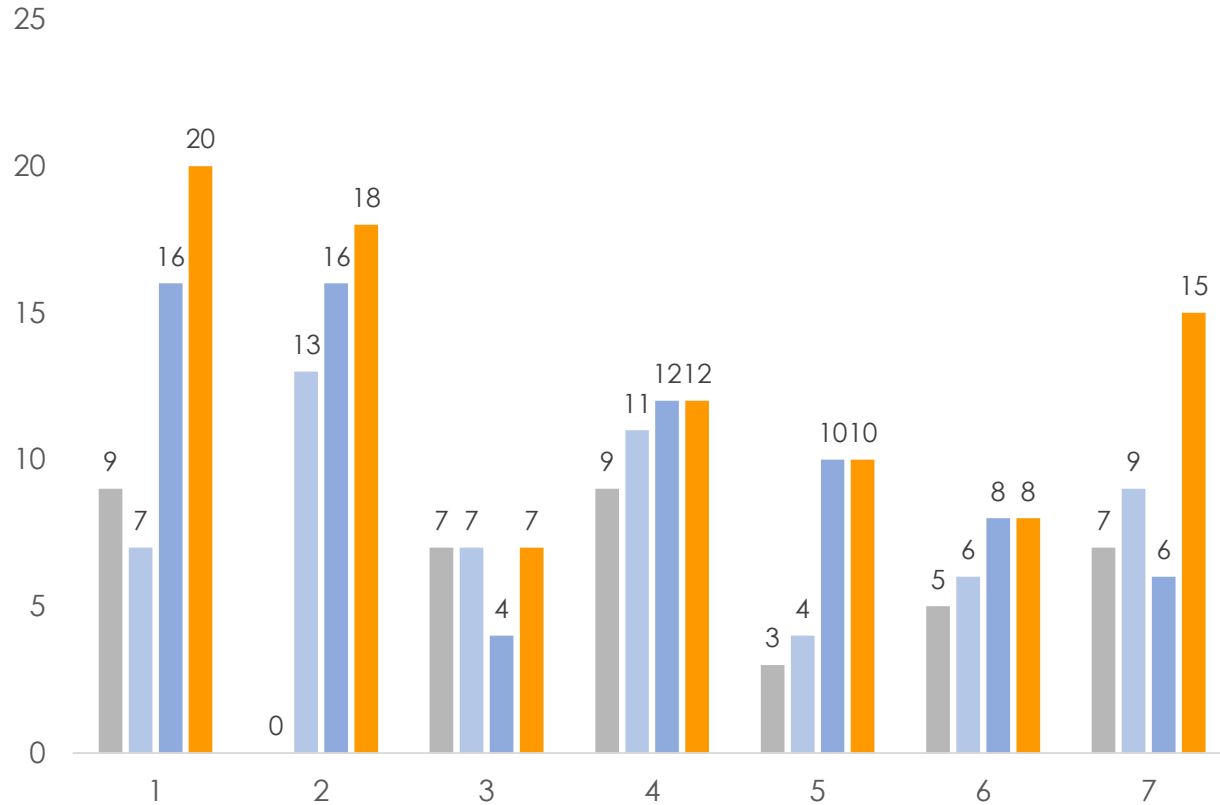
vii. Cost deviations were linked to the project completion cost, as compared to the estimated and contract costs. However, in some instances, physical work on the project was complete, yet the Final Payment Certificate remained pending. Consequently, we were unable to assign a score against this DLI in absence of the completion cost.

05

Comparative Analysis

- **Comparison with Past Assessment (DLI Basis) 63**
- **Comparison with Past Assessment (MC Basis) 64**

Comparison with Past Assessment



- 1. Investment, Planning & Budgeting
- 2. Own Source Revenues
- 3. Procurement
- 4. Financial Management & Audit
- 5. Environment & Social Safeguards
- 6. Accountability & Transparency
- 7. Achievement of Urban Infrastructure Targets

**APA Y-2
(2020)**

40%

**APA Y-3
(2022)**

57%

**APA Y-4
(2023)**

72%

**APA Y-5
(2024)**

90%

Comparison with Past Assessment (MC Basis)

APA Y-2

APA Y-3

APA Y-4

APA Y-5

2020

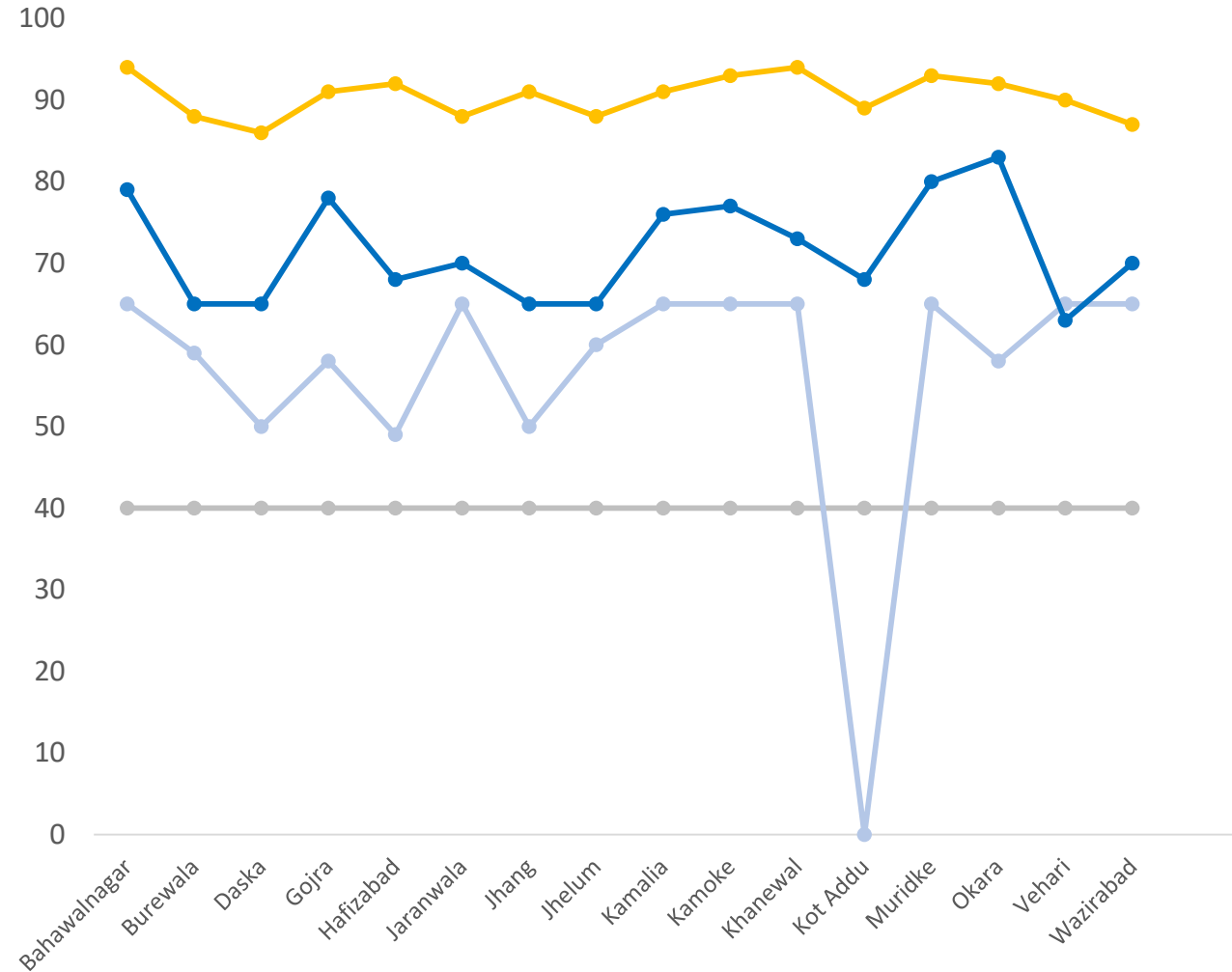
2022

2023

2024

	Scores Achieved			
	APA Y-2	APA Y-3	APA Y-4	APA Y-5
	(100 points)	(100 points)	(100 points)	(100 points)
Bahawalnagar	40	65	79	94
Burewala	40	59	65	88
Daska	40	50	65	86
Gojra	40	58	78	91
Hafizabad	40	49	68	92
Jaranwala	40	65	70	88
Jhang	40	50	65	91
Jhelum	40	60	65	88
Kamalia	40	65	76	91
Kamoke	40	65	77	93
Khanewal	40	65	73	94
Kot Addu	40	0	68	89
Muridke	40	65	80	93
Okara	40	58	83	92
Vehari	40	65	63	90
Wazirabad	40	65	70	87
Average Score	40	57	72	90

Comparative Analysis of Scores



06

Conclusion

- **Combined Scoring** **66**
- **Grants Allocation Basis** **67**
- **Disbursement Calculation** **68**

Combined Scoring

Performance Area out	Performance Indicators
1. Investment Planning & Budgeting (24 points for each MC)	O&M budgeting and planning done for major infrastructure services
	Infrastructure Maps used as a planning tool
	Expenditure control of fuel and energy
	Asset inventory prepared and updated
	Three-year rolling IDAMP prepared and updated
2. Own Source Revenue (18 points for each MC)	Revenue Enhancement Plan prepared
	Own-source revenues increased
3. Procurement (08 points for each MC)	Adherence to PPRA rules
4. Financial Management & Audit (12 points for each MC)	Functionality of the CFMS
5. Environment and Social Management (10 points for each MC)	Annual targets set for incremental application of environmental and social screening on all infrastructure investments
	Eligible investments screened for potential environmental and social safeguard impacts
	Environmental and Social Assessments/ Action Plans prepared and implemented
6. Transparency and Accountability (08 points for each MC)	Information available to citizens on MC's website
	CTS transformed into Grievance Redress Management system for MC
	MC responds to citizens' requests as per Right-to-Information Act
7. Urban Infrastructure (20 points for each MC)	Urban infrastructure targets achieved
Total Score	

Scores		
Maximum	Achieved (Avg.)	Achieved (16 MCs)
3	2	39
3	3	48
10	10	160
3	2	32
5	3	48
3	3	46
15	15	235
8	8	123
12	12	192
2	2	32
3	3	48
5	5	80
4	4	64
2	2	32
2	2	32
20	15	236
100	90	1,447

Allocation Basis of Grant

The targeted compliance system identifying the minimum target set for each year is defined in the TORs and shown in the table below. For this APA, targets set for year 5 were considered.

DLIs	Y-1	Y-2	Y-3	Y-4	Y-5
DLI-1	100%	100%	100%	100%	100%
DLI-2	-	40 points out of 100	50 points out of 100	60 points out of 100	70 points out of 100

Total Disbursement Calculation for Year-5

DLI – 1 Grants

$$\text{Amount to be disbursed (USD)} = \text{Disbursement Amount of Y – 5} \times 16$$



DLI – 2 PBGs

$$\text{Amount to be disbursed (USD)} = \frac{[\text{Sum of Performance Scores of all MCs in Year 5} \times \text{Target Disbursement Amount of Y – 5}]}{[70 \times 16]}$$

Disbursement Allocation Basis for Each MC

DLI – 1 Grants

$$\text{Amount to be disbursed (USD)} = \frac{[(\text{PFC Award Share for the eligible MC}) \times (\text{Total Annual Disbursement from IDA against DLI 1 i.e. US\$ 5 Mn})]}{[\text{Sum of PFC Award Shares of all eligible MCs}].}$$



DLI – 2 PBGs

$$\text{Amount to be disbursed (USD)} = \frac{[(\text{PFC Share for the eligible MC}) \times (\text{Eligible MC's Performance Score against PMs in the APA}) \times (\text{Total Annual Disbursement from IDA against DLI 2 i.e. 15 Mn})]}{[(\text{Sum of PFC Shares of all eligible MCs}) \times (\text{Sum of the Performance Scores against PMs of all eligible MCs})]}$$

Disbursement Calculation

DLI-1		
MC	PFC Share	Allocation (USD)
Bahawalnagar	0.61%	0.34
Burewala	0.86%	0.48
Daska	0.69%	0.39
Gojra	0.41%	0.23
Hafizabad	0.39%	0.22
Jaranwala	0.63%	0.35
Jhang	0.87%	0.49
Jhelum	0.26%	0.15
Kamalia	0.39%	0.22
Kamoke	0.56%	0.31
Khanewal	0.59%	0.33
Kot Addu	0.34%	0.19
Muridke	0.49%	0.27
Okara	0.72%	0.40
Vehari	0.58%	0.32
Wazirabad	0.54%	0.30
	8.93%	5.00

DLI-2		
Achieved Score	Relative Performance Share	Disbursement Allocation (USD Millions)
94	7.10%	1.07
88	9.37%	1.41
86	7.35%	1.10
91	4.62%	0.69
92	4.44%	0.67
88	6.87%	1.03
91	9.81%	1.47
88	2.83%	0.43
91	4.40%	0.66
93	6.45%	0.97
94	6.87%	1.03
89	3.75%	0.56
93	5.64%	0.85
92	8.20%	1.23
90	6.47%	0.97
87	5.82%	0.87
1447	100.00%	15

Total Disbursement (USD Millions)
1.41
1.89
1.49
0.92
0.89
1.38
1.96
0.57
0.88
1.28
1.36
0.75
1.12
1.63
1.29
1.18
20

Annexure

A – Documents Required

Annexure A

Performance Areas	Documents Examination
<p>1.1 investment Planning and Budgeting</p>	<ul style="list-style-type: none"> • Infrastructure Maps • Signed copy of ADP for the current FY • Approved Annual Budget Estimates generated using the CFMS • Annual budget for current FY • Audited annual financial statement for previous FY • Approved PBG for each MC for year 2022-2023 • Co-financing orders of Finance Department of current FY • Bank statements to trace receipt of funds against the co-financed amount.
<p>1.2 Human Resources</p>	<ul style="list-style-type: none"> • Staff Lists & notifications for core locally appointed positions for managing core Program-supported systems, as prescribed by POM.
<p>1.3 Procurement</p>	<ul style="list-style-type: none"> • Approved Annual Procurement Plan for the current FY • Notification letters for procurement committee formulation • Bid evaluation report/ decisions which procurement committee has approved
<p>1.4 Financial Management and Audit</p>	<ul style="list-style-type: none"> • CFMS reports • Cashbook generated from CFMS updated up to April 30, 2024 • Manual cashbook maintained by MCs updated up to April 30, 2024 • Letter of MC supported by CFMS generated Financial Statements that were transmitted to auditors for audit • Audit reports of FY 2022-2023
<p>1.5 Environment and Social Safeguards</p>	<ul style="list-style-type: none"> • Notification letter of Environment & Social management focal Persons • Environment and Social Management Framework • Pictures of training provided, training manuals along with attendance sheets
<p>1.6 Accountability And Transparency</p>	<ul style="list-style-type: none"> • Website URLs • Summary of complaints received and responded • PMS reports
<p>1.7 Operation Specific</p>	<ul style="list-style-type: none"> • A signed copy of Operation Participation Agreement.

Annexure A

Performance Areas	Documents Examination
<p align="center">2.1 Investment Planning and Budgeting (maximum 24 points)</p>	<ul style="list-style-type: none"> ▪ O&M Manual ▪ O&M Plan ▪ ADP ▪ Approved Budget ▪ Expenditure Statement of previous FY ▪ O&M Budgetary Comparison of previous FY ▪ Expenditure detail and selected vouchers for previous year ▪ Updated Infrastructure related GIS maps ▪ PBGs utilization project wise data ▪ Sectoral reports as evidence of utilization of maps for selection of eligible investments ▪ Approved priority list of infrastructure investments ▪ Energy and Fuel Audit Reports ▪ Energy and fuel utilization/cost saving report (monthly/annually) ▪ Updated asset inventory registers ▪ Purchase invoices of assets added during the last FY ▪ Evidence of stakeholders consultative session and list of participants ▪ Integrated Development and Assets Management Plan (IDAMP) ▪ IDAMP guidelines ▪ Evidence of Capital and O&M Expenditure as per approved IDAMP
<p align="center">2.2. Own Source Revenues (maximum 18 points)</p>	<ul style="list-style-type: none"> ▪ OSR Enhancement Plan showing revenue performance analysis and OSR Strategy for previous FY ▪ Signed Annual Financial statements of previous two FYs with breakup of OSR ▪ Working of increase in OSR

Performance Areas	Documents Examination
<p align="center">2.3. Procurement (Maximum 08 points)</p>	<ul style="list-style-type: none"> ▪ Procurement Plan of previous FY ▪ List of procurements of last FY ▪ Complete procurement record of selected sample ▪ Bid Documents ▪ Notification of GRM committee ▪ Evidence of advertisements (newspaper cuttings, PPRA website, MC own website) ▪ Bid evaluation report of selected sample ▪ Evidence of notification of award correspondence with bidders and uploading on PPRA's and MC's website ▪ Record of grievances raised during the previous FY and related documentation
<p align="center">2.4. Financial Management and Audit (maximum 12 points)</p>	<ul style="list-style-type: none"> ▪ Internal and external audit reports ▪ CFMS generated reports, as mentioned in the PM, of previous FY ▪ Cash Book ▪ Classified Abstract ▪ Contingency Check Register ▪ Establishment Check Register ▪ Water Consumer Demand & Collection Record ▪ Shop Demand & Collection Register ▪ Bank Reconciliation supported by Bank Statements ▪ Water & Shops Arrears List
<p align="center">2.5.Environment and Social Safeguards (maximum 10 points)</p>	<ul style="list-style-type: none"> • Screening check list for projects • Social & Environmental screening check list has defined the E&S categories as per ESSA and ESMF • E&S instruments as per the defined categories • Documentation of IEE/EIA • Environmental approvals from EPA

Annexure

B – Benchmarking & Clarifications

Benchmarking – DLI 1

Minimum Access Condition	Verification Basis	Reference Financial Year/Period
1.1 MC has updated infrastructure maps	<ul style="list-style-type: none"> Infrastructure Maps updated up to end of previous FY 	<ul style="list-style-type: none"> Updated up to April 30, 2024
1.2 MC has an approved Annual Development Plan (ADP)	<ul style="list-style-type: none"> ADP for the current FY 	<ul style="list-style-type: none"> 2023-2024
1.3 MC Annual Budget Estimates, generated from the CFMS, have been approved by Chairman/Council	<ul style="list-style-type: none"> Annual Budget Estimates generated using the CFMS 	<ul style="list-style-type: none"> 2023-2024
1.4 MC has contributed 20% co- financing for PBGs during the FY	<ul style="list-style-type: none"> Copy of annual budget for current FY Audited annual financial statement for previous FY 	<ul style="list-style-type: none"> Budget of 2023-2024 Audited Financial Statements of 2022-2023
2.1 MC has in place/assigned core locally appointed staff, to operate the systems	<ul style="list-style-type: none"> Staff list 	<ul style="list-style-type: none"> Staff list updated up to April 30, 2024
3.1 MC has a Procurement Plan for current FY	<ul style="list-style-type: none"> Annual Procurement Plan for the current FY 	<ul style="list-style-type: none"> 2023-2024
3.2 MC has functional procurement committee for relevant level of procurement in place (per PPRA rules)	<ul style="list-style-type: none"> Evidence (notifications and signed decisions) of Procurement Committee 	<ul style="list-style-type: none"> 2023-2024 up to April 30, 2024
4.1 MC has functional Computerized Financial Management System (CFMS)	<ul style="list-style-type: none"> CFMS Reports 	<ul style="list-style-type: none"> Updated up to April 30, 2024
4.2 MC cash book is generated using CFMS	<ul style="list-style-type: none"> Cash Book has been generated from CFMS, and is up to date 	<ul style="list-style-type: none"> Updated up to April 30, 2024
4.3 MC has submitted annual financial statements, to the satisfaction of auditors for the previous FY	<ul style="list-style-type: none"> CFMS- based annual financial statements given to auditors for audit of previous FY 	<ul style="list-style-type: none"> 2022-2023
4.4 The MC has no adverse or disclaimed audit opinion for previous FY	<ul style="list-style-type: none"> Audit reports for previous FY 	<ul style="list-style-type: none"> 2022-2023
5.1 MC has designated Environmental and Social Management focal persons	<ul style="list-style-type: none"> Requisite staff has been designated 	<ul style="list-style-type: none"> Staff list updated up to April 30, 2024
5.2. MC has developed an environment and social management system with gender considerations, including procedures for preparation, approval, and supervision of investments.	<ul style="list-style-type: none"> MC's Environment and Social Management Framework 	<ul style="list-style-type: none"> Approved ESMF updated up to April 30, 2024
5.3 MC has developed acceptable capacity to prepare, approve and supervise management instruments	<ul style="list-style-type: none"> Training module fully explained in a workshop 	<ul style="list-style-type: none"> Training record of 2023-2024

Benchmarking – DLI 1

Minimum Access Condition	Verification Basis	Reference Financial Year/Period
6.1 MC has an operational Website	Website is operational	<ul style="list-style-type: none"> Operational as of current date
6.2 MC has functional Complaint Tracking System	Summary reports of complaints received and resolved	<ul style="list-style-type: none"> CTS reports updated up to April 30, 2024
6.3 MC has functional Performance Management System (PMS)	PMS is operational	<ul style="list-style-type: none"> PMS reports updated up to April 30, 2024
7.1 MC Chairman has signed Operation Participation Agreement	Signed Operation Participation Agreement	<ul style="list-style-type: none"> As of date of signing

Benchmarking – DLI 2

Performance Measure	Performance Indicator	Verification Basis	Reference Financial Year/Period
1.1 O&M budgeting and planning done for major infrastructure services (maximum 3 points)	MC has developed O&M plans based on O&M Manuals, and allocated requisite budget allocations for Water Supply, Sewerage, and Solid Waste Management for the current FY: 1 point	<ul style="list-style-type: none"> ADP Annual budget O&M Manuals 	<ul style="list-style-type: none"> ADP, 2023-2024 Annual Budget, 2023-2024 O&M Manual updated up to April 30, 2024
	MC has spent 80% of the budgeted O&M expenditures for infrastructure and services in the previous FY: 2 points	<ul style="list-style-type: none"> O&M budget Cash book Vouchers for pervious FY 	<ul style="list-style-type: none"> O&M Budget, 2022-2023 Cash Book, 2022-2023 Vouchers, 2022-2023
1.2 Infrastructure maps used as a planning tool (maximum 3 points)	Infrastructure Maps have informed the selection of eligible priority investments: 3 points	<ul style="list-style-type: none"> Infrastructure Maps Priority List PC-1 of PCP Projects 	<ul style="list-style-type: none"> Maps, updated up to April 30, 2024 Priority List, 2023-2024 PC-1 of PCP Projects, 2023-2024
1.3 Expenditure control of fuel and energy (maximum 10 points)	Energy and fuel audit of electric/mechanical assets completed/updated: 10 points	<ul style="list-style-type: none"> Energy and fuel audit reports and verify completion/ updated for previous FY. 	<ul style="list-style-type: none"> Energy Audit Report of year 2022-2023
1.4 Asset inventory prepared and updated (maximum 3 points)	Asset inventory prepared/updated indicating: a) age; b) condition; and c) book value of assets: 3 points	<ul style="list-style-type: none"> Copy of asset inventory and confirm information is updated up to previous FY. 	<ul style="list-style-type: none"> Asset inventory, 2022-2023
1.5 Three-year rolling IDAMP prepared and updated (maximum 5 points)	Consultations have been held with all stakeholder groups, ensuring adequate representation of women: 2 Points	<ul style="list-style-type: none"> Evidence of consultations held, and extent of women representation. 	<ul style="list-style-type: none"> Consultations held in 2023-2024
	Three years, rolling IDAMPs prepared/updated per approved IDAMP guidelines: 1 point	<ul style="list-style-type: none"> Copy of the IDAMP and confirm that it conforms to IDAMP guidelines 	<ul style="list-style-type: none"> IDAMP and IDMP guidelines as updated up to April 30, 2024
	IDAMPs operationalized and are a basis of all capital and O&M expenditures: 2 points	<ul style="list-style-type: none"> Capital and O&M expenditures during the current FY are based on approved and updated IDAMP. 	<ul style="list-style-type: none"> Capital Expense Ledger up to April 30, 2024 O&M Expense Ledger up to April 30, 2024

Benchmarking – DLI 2

Performance Measure	Performance Indicator	Verification Basis	Reference Financial Year/Period
2.1 Revenue Enhancement Plan prepared (maximum 3 points)	<p>MC OSR enhancement plan has been prepared and includes:</p> <ul style="list-style-type: none"> • Analysis of previous year's revenue performance with detailed analyses of potential of each main source of revenue: 2 points • Strategies for revenue enhancement: 1 point 	<p>Revenue Enhancement Plan, and verify that it includes:</p> <ol style="list-style-type: none"> a) analysis of previous FY's revenue performance; and b) revenue enhancement strategies for previous FY. 	<ul style="list-style-type: none"> • Revenue Enhancement plan for year 2023-2024 comprising of <ol style="list-style-type: none"> a) Revenue analysis of FY 2023 with FY 2022 b) Revenue enhancement strategies of 2023
2.2 Own Source Revenues increased (maximum 15 points)	<p>MC has achieved a nominal percentage increase in total municipal own source revenues in previous FY:</p> <ul style="list-style-type: none"> • If increase 3-5 percent: score 5 points; • If increase 6-8 percent: score 10 points; • If increase 9 or above percent: score 15 points 	<p>Annual financial accounts for the previous two FYs to calculate and confirm percentage increase on OSR collection.</p>	<ul style="list-style-type: none"> • Annual Financial Statements of FY 2023 and FY 2022
3.1 Adherence to PPRA rules (maximum 08 points)	<ul style="list-style-type: none"> • MC has prepared Procurement Plan for previous FY: 2 points • Records pertaining to procurements include the following information: <ol style="list-style-type: none"> a) Adequate relevant auditable records on procurement process: 1 point; 	<p>Procurement Plan, and ensure that it includes all major procurements of previous FY.</p> <p>Procurement records of a sample of 3 procurements from previous FY to confirm adherence to PPRA rules.</p>	<ul style="list-style-type: none"> • Procurement Plan of year 2022-2023 • Procurement record of year 2022-2023
4.1 Functionality of the CFMS (maximum 12 points)	<p>CFMS generated reports for previous FY include the following (if reports NOT generated 0 points):</p> <ul style="list-style-type: none"> • Cash Book: 2 points • Classified Abstract: 1 point • Contingency Check Register: 1 point • Establishment Check Register: 1 Point • Water Consumer Demand & Collection Record: 1 point • Shop Demand & Collection Register: 2 points • Bank Reconciliation: 3 points • Water & Shops Arrears List: 1 point 	<p>CFMS generated reports from previous FY as confirmation.</p>	<ul style="list-style-type: none"> • CFMS reports updated up to April 30, 2024

Benchmarking – DLI 2

Performance Measure	Performance Indicator	Verification Basis	Reference Financial Year/Period
5.1 Annual targets set for incremental application of environmental and social screening including gender considerations, assessment, and mitigation processes on all infrastructure investments (maximum 2 points)	MC has undertaken incremental application of environment and social screening (including gender considerations), assessment, and mitigation processes for: <ul style="list-style-type: none"> rehabilitation, repairs, and O&M of assets: 1 point implementation of the new infrastructure sub-projects (year 2 onwards): 1 point 	Evidence of meeting annual targets for: <ol style="list-style-type: none"> environmental and social screening (including gender considerations) of rehabilitation and repair of existing assets; and annual targets for environmental and social screening, assessment, and mitigation of new capital investments from Year-2 onwards. 	<ul style="list-style-type: none"> Environmental & Social Screening Reports of Year 2023-2024
5.2 Eligible investments screened for potential environmental and social safeguard impacts (maximum 3 points)	All capital investments in the previous FY are screened for potential environment and social impacts per ESSA ⁷ : 3 points	Evidence that capital investments have been screened as per ESSA requirements.	<ul style="list-style-type: none"> ESSA as updated up to April 30, 2024
5.3 Environmental and Social Assessments, Resettlement Action Plans and other management plans for social and environmental impacts prepared and implemented (maximum 5 points)	E&S management plans for all capital investments in the previous FY were prepared and implemented per ESSA: 5 points	Evidence that E&S management plans for all capital investments in the previous FY were prepared and implemented as per ESSA.	<ul style="list-style-type: none"> ESMP for year 2023-2024
6.1 Information available to citizens on MC's website (maximum 4 points)	MC has published the following information on its website: Summary of annual budgets, approved sub-projects, expenditures (per Punjab Local Government Act 2013 Section 107 (10)): 1 point	<ul style="list-style-type: none"> Annual budgets Sub-projects (investments) Expenditures 	<ul style="list-style-type: none"> Annual budgets, 2023-2024 Sub-projects, all PCP projects updated up to April 30, 2024 (investments) Expenditures, 2022-2023
	MC has disseminated and updated on its website, information from CTS and PMS (quarterly updates): 2 Points	<ul style="list-style-type: none"> Relevant information is available for CTS and PMS. 	<ul style="list-style-type: none"> CTS and PMS information updated up to last quarter i.e. March 31, 2024
	MC has disseminated results of procurement Grievances Redress Mechanism decisions in Municipal Committee: 1 point	<ul style="list-style-type: none"> Number of procurement complaints raised and addressed 	<ul style="list-style-type: none"> Procurement complaints and redressal record of FY 2023-2024

Benchmarking – DLI 2

Performance Measure	Performance Indicator	Verification Basis	Reference Financial Year/Period
6.2 CTS transformed into Grievance Redressal Management system for MC (maximum 2 points)	MC has undertaken and operationalized system upgrades including feedback to complainants through SMS: 2 points	<ul style="list-style-type: none"> Evidence of implementation of system upgrade, including capability of CTS to acknowledge complaint receipt and report complaint resolution to complainant. 	<ul style="list-style-type: none"> Functionality test in the month of May 2024 to check real time updates
6.3 MC responds to citizens' requests per Right-to-Information Act (maximum 2 points)	MC has put in place a system to respond to citizen requests for access to information: 2 points	<ul style="list-style-type: none"> Evidence that MC has responded to requests for access to information for previous FY. 	<ul style="list-style-type: none"> RTI register as updated till April 30, 2024
7.1 Urban infrastructure targets achieved(maximum 20 points)	MC is using PBGs for eligible municipal infrastructure and service investments	<ul style="list-style-type: none"> Obtain from Chief Officer evidence on work plan; technical design documents; investment contracts awarded; supervision contract (where applicable); payment certificates, estimated, contract, and completion costs, and financial reports capturing receipts and expenditure on PBGs 	<ul style="list-style-type: none"> Record of PCP infrastructure projects