

# Implementation Agreement for Technical Cooperation Projects

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## IMPLEMENTATION AGREEMENT

between

**Deutsche Gesellschaft für Internationale  
Zusammenarbeit (GIZ) GmbH**  
Dag-Hammarskjöld-Weg 1-5  
65760 Eschborn

- hereinafter referred to as "GIZ" -

and

**Economic Affairs Division - EAD**

- hereinafter referred to as the EAD -

concerning the programme

**Support to Local Governance**

- hereinafter referred to as the "Programme" -

**Implementing Partners of the Programme are:**

- Local Government, Election and Rural Development Department KP (LGE&RDD);
- Punjab Local Government and Community Development Department (LG&CD);
- Khyber Pakhtunkhwa Revenue Authority (KPRA);
- Excise, Taxation and Narcotics Control Department of Khyber Pakhtunkhwa (ETD, KP);
- Punjab Revenue Authority (PRA);
- Excise, Taxation and Narcotics Control Department of Punjab (ETD Punjab);
- Right to Information Commission KP (RTI KP);
- Punjab Information Commission (PIC)

-hereinafter referred to as *Implementing Partners*-

## **Basis of the Agreement**

The following shall form the basis of this Agreement:

- the Agreement between the Government of the Federal Republic of Germany and the Government of Pakistan dated 25th of November 1972, as amended by the arrangements of 20<sup>th</sup> September/16<sup>th</sup> October 1977, 21<sup>st</sup> June/13<sup>th</sup> July 1978, 20<sup>th</sup> March/7<sup>th</sup> April 1980 and 3<sup>rd</sup> September 1979/28<sup>th</sup> June 1980. (see Annex 1)
- the Agreement between the Government of the Federal Republic of Germany and the Government of the Islamic Republic of Pakistan on Technical Cooperation 2015 dated 21<sup>st</sup> of July 2016. (see Annex 2)

In accordance with Article 2 of the aforementioned Agreement on Technical Cooperation 2015, details of the Project are to be laid down in an agreement between GIZ and the respective Pakistani institutions. GIZ is acting in execution of the commission with which it has been charged by the Government of the Federal Republic of Germany.



## 1. Programme objective and indicators

The objective of this Programme **Support to Local Governance Programme** is: "Devolved structures and dialogue-based systems of service delivery to meet the citizens' needs in Khyber-Pakhtunkhwa and Punjab have improved". (01/2017 till 12/2019).

The overall indicators are:

1. Elected councils in X selected local authorities in Khyber Pakhtunkhwa and Punjab have adopted development budgets in accordance with the priorities set by the participatory development plans.
2. Three central administrative processes for implementation of the decentralisation reform, as agreed in the 18th Amendment, are implemented in the province of Khyber Pakhtunkhwa.
3. The revenue generated by the provinces Khyber Pakhtunkhwa and Punjab has increased by X% compared with the revenue in the fiscal year 2015/2016.
4. One provincial government prepares the annual publication of the budget and accountability report to be discussed with the citizens.
5. X% of N selected citizens (of whom 30% are women and young people) in the project areas in Khyber Pakhtunkhwa and Punjab have confirmed that their needs and interests have been taken into account in strategic decision-making (for example in the preparation of development plans).

The *objective* of the result area **local government reform**, to be implemented with the Local Government, Election and Rural Development Department (LGE&RDD) in KP and Punjab Local Government and Community Development Department (LG&CD) in Punjab, is to support the local administrations, selected councils and the ministries of local government in KP and Punjab in building their capacity in selected core processes such as participatory development planning and budget preparation and implementation. In this context, the programme provides policy consultancy to clarify roles and tasks, strengthens training institutions for public servants and selected local councils, and supports selected local authorities in participatory development planning and budget preparation.

The indicators for this result area are:

1. X development plans drawn up in a participatory process by sub-national authorities in Khyber Pakhtunkhwa and Punjab that consider the needs and interests of women and young people have been submitted for adoption.
2. Agreements between the relevant administrative institutions, or updated administrative regulations clarifying processes and responsibilities regarding budget planning and implementation, are submitted for adoption in one province.
3. X public servants and elected representatives have passed the final exam in target group-specific training modules on roles and functions in line with the municipal law and participatory budget and planning processes of the training institutions in Khyber Pakhtunkhwa and Punjab (including a training course for women representatives).

The *objective* of the result area **revenue generation**, to be implemented with the Khyber Pakhtunkhwa Revenue Authority (KPRA), Excise, Taxation and Narcotics Control Department of Khyber Pakhtunkhwa (ETD, KP), Punjab Revenue Authority (PRA) as well as with the Excise, Taxation and Narcotics Control Department Punjab (ETD Punjab), is on improving the conditions for tax and revenue generation by the provincial tax authorities and selected sub-national authorities. To this end, the provincial tax authorities are primarily advised on how to improve tax collection systems and processes and how to design a coherent legal framework.

The indicators for this result area are:

1. Two draft administrative regulations on improved tax management are submitted for adoption in the provinces Khyber Pakhtunkhwa and Punjab.
2. The share of registered taxpayers in the provinces Khyber Pakhtunkhwa and Punjab who file their tax returns for sales tax within the statutory deadline has increased from X to Y.
3. Pilot experience from X local authorities (districts, union councils or tehsils) in the provinces Khyber Pakhtunkhwa and Punjab demonstrates potential for revenue generation.

The *objective* of the result area **state-citizen dialogue**, to be implemented with the Right to Information Commission KP (RTI KP) and Punjab Information Commission (PIC), is to support the provincial and local administrations, media and civil society actors in improving the accountability of the administration and the dialogue between the state and society.

The indicators for this result area are:

1. A standardised process for consultation and inclusion of the interest groups of elected councils in the formulation and adaptation of legal regulations on local governance is agreed on in one province.
2. X selected institutions at provincial and downstream administrative levels in the provinces Khyber Pakhtunkhwa and Punjab have implemented processes for providing information as required by the Right to Information Act.
3. Three dialogue and feedback mechanisms geared towards vulnerable population groups (primarily young people and women) are piloted by institutions at sub-national level.

## **2. Contributions to the Project by the Government of the Federal Republic of Germany via GIZ**

In accordance with the Agreement on Technical Cooperation 2015, the Government of the Federal Republic of Germany shall provide GIZ with up to EUR 27.33 Million Euros (in words: twenty seven million, three hundred and thirty thousand Euros euros) for the German contribution. Out of the said amount, the new "Support to Local Governance" programme will receive 4.5 million Euros in the first year. Moreover, further contribution are foreseen in 2016



and 2017 and by envisaged co-funding of the Swiss Agency for Development and Cooperation (SDC) of 6 Million Swiss Francs.

### **Provision of experts**

GIZ shall make available for the **programme**:

- a seconded **international expert** expert on Governance Reforms to be responsible for the contribution of GIZ and who shall at the same time be Head of Programme of the team of experts made available for this Project for the duration of the phase described in Clause 4 below, the period of secondment is up to 36 expert months

For the **local government reform result area**:

- the following experts:
  - one international senior expert for local government reform (up to 36 expert months)
  - one national senior expert for local government reform (up to 36 expert months)
  - six national technical experts (up to 216 expert-months)
  - two international advisors (up to 72 expert months)

For the **revenue generation result area**:

- the following experts:
  - one international senior expert for revenue generation (up to 36 expert-months)
  - one national senior expert for revenue generation (up to 36 expert-months)
  - five national technical advisors (up to 180 expert-months)
  - one international advisor (up to 36 expert-months)

For the **state-citizen dialogue result area**:

- the following experts:
  - one international senior expert for state-citizen dialogue (up to 36 expert months)
  - one national senior expert for state-citizen dialogue (up to 36 expert months)
  - five national technical experts for a total period of up to 180 expert-months
  - one international advisor (up to 36 expert-months)

Additionally, support staff for a total period of up to 1,404 expert-months will be provided, which also includes further technical advisors, such as one international M&E and Management Advisor, one national M&E Advisor, one national Communication and Reporting Officer and one Gender Mainstreaming Officer.

The period of secondment of seconded experts shall also include annual leave in accordance with the provisions of German law.

A needs analysis and subsequent decisions on deployment of short-term experts staff shall be made jointly with the Implementing Partners. GIZ shall be responsible for the respective selection and recruitment.

### **Operating and administrative costs**

GIZ shall supply the office infrastructure for the Islamabad, Lahore and Peshawar offices and will use 13 vehicles, including two bullet proof cars from the previously implemented "Support to Good Governance" programme in the new programme. GIZ shall bear the operating and/or administrative costs associated with the processing of the German contribution to the programme.

### **Other contributions**

GIZ shall make the following additional contributions:

- bearing the expenditures for (IT-based) feedback mechanism;
- bearing the expenditure for piloting of local revenue generation on district and tehsil levels;
- bearing the expenditures for organizational development and leadership training for Local Council Associations.

## **3. Contributions by Implementing Partners**

### **Provision of experts and auxiliary personnel**

The Implementing Partners shall

- cooperate with the programme management and appoint a focal person/point to ensure smooth implementation of the joint programme;
- provide qualified experts and personnel for participation in trainings who possess the qualifications necessary for the courses within the framework of the programme;
- provide suitable institutional support at provincial, district and tehsil level in order to allow for the setup of a programme structure that can provide planned assistance to the target group within the given framework of the programme;
- provide direct assistance to the programme by provision of suitable documents, dissemination material, data, information on existing cooperation agreements with development partners within the framework of the programme;
- provide institutional support for the cooperation between the Implementing Partners and implementing organisations in the framework of the programme.

### **Costs**

The Implementing Partners shall ensure that the costs to be specified in the plan of operations are budgeted for in due time.

### **Other Contributions**

The Implementing Partners shall ensure access for international and national experts to regions where programme activities are implemented as well as in-and outward travel to Pakistan according to the Agreement between the Government of the Federal Republic of Germany and the Government of the Islamic Republic of Pakistan on Technical Cooperation 2015.



### **Provision of sites, buildings and work premises**

The Implementing Partners shall provide the programme with free of charge office space for the international and national longterm experts to carry out the planned measures. In addition sufficient and suitable equipment and furnishings, insofar as such equipment and furnishings are not supplied by GIZ, should be provided by the Implementation Partners.

## **4. Other provisions**

### **Cooperation with other GIZ-projects in Pakistan**

The programme will follow up on the measures of the completed Support for Development Planning in KP (PN: 2011.2105.2) and Support to Good Governance Programme (PN: 2013.2183.5). The programme cooperates with the TC projects on Support for Social Security, Including Social Protection in the Event of Illness (PN: 2015.2186.3) and Support for the Vocational Education Sector in Pakistan (PN: 2016.2042.6) to develop criteria and processes for the assumption of new administrative tasks by local authorities. It will interface with the TC project on Promoting Resilience of Khyber Pakhtunkhwa Against Natural Disaster Impacts (PN: 2014.2073.6, BGR) to strengthen the administrative systems at provincial level. There is close cooperation with the financial cooperation (FC) project on the Regional Infrastructure Fund for Khyber Pakhtunkhwa (PN: 2013.6567.5) and the FC project on the Guarantee Fund for the Western Border Region (PN: 2015.6748.6) concerning participatory development planning and demand-driven implementation of infrastructure for the provision of public services in KP.

### **Evaluation**

GIZ or any other person/organisation nominated by the German Ministry for Economic Cooperation and Development (BMI) may undertake an evaluation of the programme during or after implementation of this Agreement. To this end, GIZ shall second experts/appraisers to the programme. Implementing Partners shall participate in the joint evaluation. It shall in all cases assist the expert(s)/ appraiser(s) in their work and allow them to examine all the necessary documents.

The Implementing Partners shall be informed of the results of the joint evaluation by means of a report.

### **Suspension of contributions and termination of Agreement**

GIZ may suspend its contributions if

- EAD or the Implementing Partners fail to fulfil obligations arising out of this Agreement or out of arrangements in respect of this Agreement, or
- circumstances arise which preclude, or place in considerable jeopardy, the objective of the programme objective described in Clause 1 above.

If one of the circumstances described in paragraph 2 above arises and is still in existence after a time-limit to be agreed by GIZ with the respective Implementing Partner(s), or if it is

not eliminated within this period, GIZ may, with the consent of the Government of the Federal Republic of Germany, prematurely terminate the implementation of this Agreement.

### **Term of Agreement**

Save as provided in Clause 4 above on the suspension of contributions and termination of the Agreement, this Agreement shall be valid for the duration of the ongoing phase of the Project (currently scheduled to run from 01.2017 to 12.2019). The term of this Agreement may be extended in the event of a delay in the execution of the German contribution as laid down in this Agreement and in the execution of the agreed contributions of the implementing Partners.

### **Adjustment of Agreement**

In the event that provisions of this Agreement do not further the efficient achievement of the objective defined in Clause 1 above, then GIZ and the Implementing Partners may adjust or amend these provisions by mutual consent at any stage during the implementation of the Project. Any amendments shall be made in writing.

GIZ may unilaterally terminate this Agreement if the commission with which it has been charged by the Government of the Federal Republic of Germany is withdrawn.

### **Written form**

Amendments and additions to this Agreement, and any other important declarations and communications of significance to the execution of this Agreement, shall be made in writing. In the case of declarations and communications to GIZ, it shall suffice for them to be received by the team leader of the experts provided.

### **Agreements with individual implementing organisations**

The person responsible for the contribution by GIZ and the person(s) responsible for the contributions by the partner organisation or other implementing organisations may together conclude a binding agreement on additional details concerning execution of the programme (e.g. on the basis of a plan of operations), or in any other suitable way lay down those details in writing and, where necessary, adjust any such agreement to take into account developments in the Programme.

### **Government arrangements**

As to the rest, the provisions of the Agreement between the Government of the Federal Republic of Germany and the Government of Pakistan on Technical Cooperation (see Annex 1) and the Agreement/Exchange of Notes between the Government of the Federal Republic of Germany and the Government of Pakistan on commitments concerning Technical Cooperation (see Annex 2), both referred to at the beginning of this Agreement, shall also apply to this Agreement.

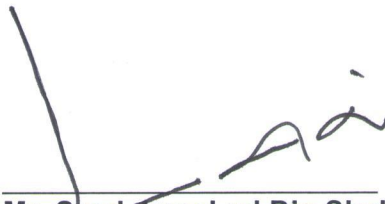


### Entry into force, copies

This Agreement shall enter into force on the date it is signed by both parties hereto. It shall be drawn up in two originals.

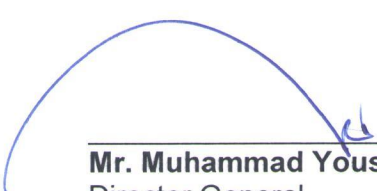
**Dr. Waqar Masood Khan**  
Secretary  
Ministry of Finance

(place, date)



**Mr. Syed Jamal ud Din Shah**  
Secretary  
Local Government, Election and Rural  
Development Department KP (LGE&RDD)  
Government of Khyber Pakhtunkhwa

(place, date)



**Mr. Muhammad Yousaf Afridi**  
Director General  
Khyber Pakhtunkhwa Revenue Authority (KPRA)  
Government of Khyber Pakhtunkhwa

(place, date)

Acknowledged  
Tariq Bajwa  
27.1.17.

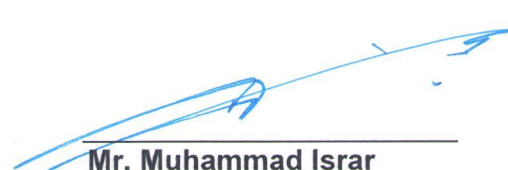
**Mr. Tariq Bajwa**  
Secretary  
Economic Affairs Division

(place, date)



**Mr. Muhammad Aslam**  
Secretary  
Punjab Local Government and  
Community Development  
Department (LG&CD);  
Government of Punjab

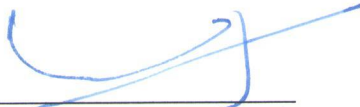
(place, date)



**Mr. Muhammad Israr**  
Secretary  
Excise, Taxation and  
Narcotics Control Department  
of Khyber Pakhtunkhwa  
Government of Khyber  
Pakhtunkhwa

(place, date)






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**Dr. Raheel Siddique**  
Chairman  
Punjab Revenue Authority  
Government of Punjab

(place, date)



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**Mr. Azmat Hanif Orakzai**  
Chief Information Commissioner  
Right to Information Commission KP  
Government of Khyber Pakhtunkhwa


(place, date)



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**Dr. Julie Reviere**  
Country Director, GIZ Pakistan


(place, date)



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**Mr. Ahmad Balal**  
Secretary  
Excise, Taxation and Narcotics  
Control Department  
Government of Punjab

(place, date)



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**Mr. Mazhar Hussain Minhas**  
Chief Information Commissioner  
Punjab Information Commission  
Government of Punjab

(place, date)



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**Mr. Bjoern Richter**  
Head of Programme GIZ

*Islamabad, 18.11.2016*  
(place, date)