



**Government of the Punjab**  
**Environment Protection Department**  
Dated, Lahore the      , 2021

Notification: xxxxxxxxxx: In exercise of the powers conferred under section 31 of the Punjab Environmental Protection Act, 1997, Government of the Punjab is pleased to make the following rules:

**1. Short title and commencement.-**

- 1) These rules may ppbe called as the Punjab Sustainable Development Fund (Utilization) Rules, 2021.
- 2) They shall come into force at once.

**2. Definitions.-**

- 1) In these rules, unless there is anything repugnant to the subject or context:
  - a) “**Act**” means the Punjab Environmental Protection Act, 1997;
  - b) “**Agency**” means the Provincial Environmental Protection Agency, established under the Act and as defined under section 2 (xxxvii) of the Act;
  - c) “**Appraisal Committee**” means the committee notified by the Board for detailed appraisal of the project proposal received for financial assistance;
  - d) “**Board**” means the Provincial Sustainable Development Fund Board constituted under section 10 of the Act;
  - e) “**Chairperson**” means the Chairperson of the Board;
  - f) “**Committee**” means a Committee constituted by the Board under sub-section (3) of section 10 of the Act;
  - g) “**Department**” means Environment Protection Department, Government of the Punjab;
  - h) “**Fund**” means the Provincial Sustainable Development Fund (PSDF) established under Section 9 of the Act ;
  - i) “**Government**” means Government of the Punjab;
  - j) “**Project Applicant**” means a person/entity/body who submits project proposal to seek financial assistance for the execution of project;
  - k) “**Project Implementer**” means a person/entity/body whose project proposal stand approved by the Board for financial assistance;
  - l) “**Project Proposal**” means any plan, study, physical activity for (i) protection, conservation, rehabilitation, or improvement of the environment, (ii) for the prevention and control of pollution, (iii) for sustainable development (iv) for research in any specified aspect of

environment; and (v) Training / awareness on environment related matters;

m) “**Secretary**” means the Secretary of the Board who, under clause (iv) of sub-section (1) (iv) of section 10, is the Director-General of the Provincial Agency; and

2) All other words and expressions used in these rules but not defined herein shall have the same meaning as are assigned to them in the Act.

### **3. Filing of project proposals. –**

(1) All project proposals for sanction of financial assistance from the Fund shall be as per application form at Schedule-I.

(2) The application form must be accompanied by:

(i) Necessary guarantees, securities or proof of availability of equity funds or of essential inputs required for implementation of the project, and for its subsequent operation and maintenance; and

(ii) A non-refundable preliminary examination fee, at rates mentioned in Schedule II.

(3) All project proposals shall be addressed to the Secretary of Board and shall be filed with the office of Secretary as per checklist mentioned in Schedule III.

(4) Each project proposal shall be duly entered in a Register maintained for the purpose by the Secretary.

(5) The Secretary shall issue a receipt in respect of the project proposal to the person filing it.

(6) Depending on availability of funds, the Secretary shall invite project proposals at least once a year.

(7) Project proposals shall be invited through advertisement in at least two leading newspapers, as well as posting on EPA website and sufficient time, not less than one month shall be given to the applicants.

(8) The Board shall have the powers to make investments and to engage any government body like Punjab Pension Fund to make investments with financial institutions to generate profits / proceeds / dividends.

(9) The Board shall have the powers to cause utilization of profits / proceeds / dividends plus up to 20% of the principal amount during the 1st three years and profits / proceeds / dividends plus up to 10% of the principal amount during the subsequent years.

(10) The PSDF Board shall have the powers to approve Honorarium for the members of the Appraisal Committee and the Monitoring Committee to be paid from the fund.

(11) The PSDF Board shall have the powers to approve the honorarium for the private members of Board if they are outstation and attend meeting at Lahore..

#### **4. Appraisal of project proposals.**

(1) The Secretary will carry out a preliminary examination of the project proposals within one month of its submission, and if it is found eligible for financial assistance under sub-section (3) of section 9, the Secretary shall admit the project for detailed appraisal and require the proponent to pay project examination fee mentioned in Schedule II.

(2) If the project examination fee is paid, detailed appraisal shall be carried out by an Appraisal Committee constituted by the Board, chaired by the Secretary or his nominated officer not below BS-18.

(3) Detailed appraisal of the project proposal shall be carried out by the Appraisal Committee within three months after deposition of the project examination fee. However, Secretary may, in a particular case, extend the appraisal period of three months if the nature of the proposal so warrants.

(4) In carrying out the detailed appraisal, the Appraisal Committee may associate consultants, any financial institutions, if needed, payment of which will be made from the fund.

(5) The appraisal report prepared by the Appraisal Committee shall be submitted to the Board for consideration in the next meeting.

#### **5. Criteria for sanction of financial assistance.**

(1) While sanctioning financial assistance for eligible projects, the Board shall observe the following criteria:

(a) the project is designed to make contribution towards protection, conservation, rehabilitation and improvement of the environment, prevention and control of pollution, promotion of sustainable development, and matters connected therewith and incidental thereto;

(b) at least 40% of the cost of the project is borne by the applicant;

(c) priority shall be given to:—

(i) a project designed to mitigate adverse environmental effects caused by an existing industrial unit and jointly sponsored by the

concerned unit and recommended by the concerned industrial association or Chamber of Commerce and Industry;

(ii) a project designed to mitigate adverse environmental effects sponsored by a proponent who is already giving a pollution charge in respect thereof;

(iii) projects involving a joint venture or partnership between a Government Agency and the private industrial sector or a Non-Governmental Organization (NGO), Community-Based Organization (CBO) or Village- Based Organization (VBO) or Joint Authority (JA).

(iv) a project designed for awareness and training in environmental matters, for promoting public awareness on environmental rights and obligations, and for meeting requirements for certification under international environmental standards such as ISO 14000 series; and

(v) a project designed to improve, conserve, protect and restore environment, which the Board considers suitable.

#### **6. Sanction of financial assistance.**

(1) The Board may sanction financial assistance, subject to such terms and conditions as it may deem fit in the circumstances of each case, including conditions relating to mode of payment and period for utilization of the assistance, and security for re-payment.

(2) If the Board rejects a proposal for financial assistance, it may, in its discretion, direct that the whole or a portion of the project examination fee be refunded to the applicant.

#### **7. Post-sanction formalities.**

(1) The proponent of the project shall complete all legal formalities including security documentation mentioned in the sanction letter within one month of the receipt thereof:

a. Provided that the period for completion of formalities may be extended by the Chairperson in a particular case if the circumstances so warrant.

(2) Procurement of local and/or foreign equipment under the sanctioned financial assistance shall be made through a transparent tendering/bidding process.

#### **8. Monitoring.**

(1) All projects financed from the Fund shall be regularly monitored by Monitoring Committee constituted by the Board.

(2) The Monitoring Committee shall identify the problems, if any, encountered by a project during implementation, recommend remedial measures and submit its report to the Board to obtain decision / directions.

(3) The monitoring Committee(s) or Director, whatever the case may be, shall identify the problems, if any, encountered by a project during implementation and may issue directions for measures, where deemed necessary. If at any stage, project implementer found violating the procedure or conditions imposed by the Board, a case report shall be submitted to the Board for stoppage of further financial assistance for the project.

(4) The Monitoring Committee shall submit periodic progress reports for information of the Board.

## **9 Accounts and audit.**

(1) The Board shall cause proper account to be kept and shall, at the end of each financial year, cause to be prepared for that financial year a statement of accounts of the Fund which shall include a balance sheet, an account of income and expenditure of funds with explanatory notes to the accounts.

(2) The Board shall cause the statement of accounts to be audited by internal auditors as and when required, to be appointed by the Board, who shall be a firm of chartered accountants.

(3) The auditors shall make a report upon the annual balance sheet and accounts, and in the report, they shall state whether, in their opinion, the balance sheet is full and fair balance sheet containing all necessary particulars and properly drawn up so as to exhibit the true and correct view of the affairs of the Fund.

(4) Notwithstanding the audit provided in sub-section (3), the Auditor General of Pakistan shall have the powers to audit or cause to be audited the accounts of the Fund.

(5) The Secretary shall submit a copy of the statement of account of the Fund certified by the auditors and a copy of the auditor's report to the Board at the end of each financial year.

## **10. Bank accounts.**

The Board may open and maintain its accounts in rupees or in any foreign currency at such scheduled banks subject to the approval from the Finance Department.

#### **11. Annual Report.**

The Board shall publish every year an Annual Report comprising, inter-alia, the progress report on approved projects and audited accounts.

#### **12. Grievance Redressal Mechanism.-**

- 1) The Secretary shall evolve a grievance redressal mechanism.
- 2) An online platform will be deployed to allow concerned citizens or persons to register their grievance electronically and status of all registered grievance shall be regularly updated.
- 3) Summary of registered grievances and their redressal shall be reported in the annual Report to be submitted to the Board.

#### **14. Other requirements.-**

Mere applying for the sanctioning of financial assistance or obtaining financial sanction partially or fully, does not absolve a project implementer of the duty to obtain any other approval or consent or following rules/regulations/environmental quality standards or other actions, which may be required under any law for the time being in force.

#### **15. Forfeiture of guarantees.-**

- 1) The Board may forfeit the guarantees of any project implementer if it is confirmed that there is no progress on the scheme.
- 2) Such decision shall be made on the basis of two consecutive monitoring reports submitted by the monitoring committee(s).

#### **16. Black listing.-**

Board may debar a project implementer from participating in a process for financial assistance, if project implementer has:

1. acted in a manner detrimental to the public interest or good practices;
2. consistently failed to perform his obligations narrated in the financial assistance letter.
3. not performed the scheme up to the mark; or

4. indulged in any corrupt practice.

**17. Access to information.-**

Board shall take all necessary measures to make information available including but not limited to Application form, Registers, decisions of the Board, minutes of the annual meeting of Board, monitoring reports and any other as deemed necessary by the Board.

SECRETARY  
GOVERNMENT OF THE PUNJAB  
ENVIRONMENT PROTECTION DEPARTMENT

**SCHEDULE I**

**APPLICATION FORM FOR FINANCIAL ASSISTANCE FROM PROVINCIAL  
SUSTAINABLE DEVELOPMENT FUND / ENVIRONMENT ENDOWMENT FUND**

*(Title of the Project)*

**Submitted by**

Name of the Project Applicant: \_\_\_\_\_

Postal Address: \_\_\_\_\_

Telephone NOs: \_\_\_\_\_

Date: \_\_\_\_\_



**APPLICATION FORM FOR FINANCIAL ASSISTANCE FROM PROVINCIAL SUSTAINABLE DEVELOPMENT FUND / ENVIRONMENT ENDOWMENT FUND+**

**Section I: Project Information**

Project Title	
Name of project applicant	
Project Description (500 words maximum)	
Amount requested from Fund	
Amount from project applicant	
Co-financed by (Name of the co-financing agency/cies)	
Total Project cost (Fund + Co-finance)	
Project Period (years)	
Project implementing team (Provide details of 3 persons with name, qualification, telephone /mobile number, email address)	1. 2. 3.

**Section II:**

**A. Relevance to Funding Area (write the name):**

**B. Relevance to Fund thematic outcomes (tick relevant)**

Outcome I	Protection of Environment	
Outcome II	Conservation of Environment	
Outcome III	Rehabilitation and improvement of Environment	
Outcome IV	Prevention and control of Pollution	
Outcome V	Promotion of Sustainable Development	

**Section III: Project Proposal details:**

<b>1. Introduction</b>
<b>2. Components of project proposal and their estimated cost</b>
<b>3. Details of Beneficiaries</b>
<b>4. Implementation arrangements</b>
<b>5. Human resources</b>
<b>6. Monitoring and evaluation mechanism</b>

**Section IV: Project Work Plan and Budget**

<b>Sr. No</b>	<b>Name of work / activity /output</b>	<b>Cost</b>

**Section V: Results Framework**

<b>Sr. No</b>	<b>Name of work / activity /output</b>	<b>Output indicator</b>	<b>Time for Achievement</b>	<b>Means of verification</b>

Signature and Designation of Project Applicant

**SCHEDULE II**  
**(PRELIMINARY EXAMINATION FEES AND PROJECT EXAMINATION FEES)**

<b>For funding from Board (Amount in PKR)</b>	<b>Amount of Fee in PKR</b>	
	<b>Preliminary Examination</b>	<b>Detailed Appraisal</b>
Up to 5.00 Million	5000	10,000
From 5.00 Million to 10.00 Million	10,000	20,000
Above 10.00 Million	15,000	30,000

**SCHEDULE-III**  
**CHECKLIST FOR PROJECT APPLICATION FORM**

#	Description	Attached [Yes/No]
1.	Duly filled application form as per Schedule - I	
2.	Guarantees, securities or proof of availability of equity funds or of essential inputs required (a) for implementation of the project, and (b) for its subsequent operation and maintenance	
3.	Bank Draft/Pay Order for preliminary examination fee in the name of the Director General, EPA Punjab	
4.	CNIC of project applicant	
5.	CNIC of the authorized representative (if any)	
6.	Letter of authorization from project applicant (if applicable)	