Financing Agreement

(Public Financial Management and Accountability to Support Service Delivery Program)

between

ISLAMIC REPUBLIC OF PAKISTAN

and

INTERNATIONAL DEVELOPMENT ASSOCIATION
FINANCING AGREEMENT

AGREEMENT dated as of the Signature Date between ISLAMIC REPUBLIC OF PAKISTAN ("Recipient") and INTERNATIONAL DEVELOPMENT ASSOCIATION ("Association"). The Recipient and the Association hereby agree as follows:

ARTICLE I — GENERAL CONDITIONS; DEFINITIONS

1.01. The General Conditions (as defined in the Appendix to this Agreement) apply to and form part of this Agreement.

1.02. Unless the context requires otherwise, the capitalized terms used in this Agreement have the meanings ascribed to them in the General Conditions or in the Appendix to this Agreement.

ARTICLE II — FINANCING

2.01. The Association agrees to extend to the Recipient a credit, deemed by the Association to be on concessional terms, as set forth or referred to in this Agreement, in an amount equivalent to four hundred million Dollars (variously, "Credit" and "Financing"), to assist in financing the program described in Schedule I to this Agreement ("Program").

2.02. The Recipient may withdraw the proceeds of the Financing in accordance with Section IV of Schedule 2 to this Agreement. All withdrawals from the Financing Account shall be deposited by the Association into an account specified by the Recipient and acceptable to the Association.

2.03. The Maximum Commitment Charge Rate is one-half of one percent (1/2 of 1%) per annum on the Unwithdrawn Financing Balance.

2.04. The Service Charge is the greater of: (a) the sum of three-fourths of one percent (3/4 of 1%) per annum plus the Basis Adjustment to the Service Charge; and (b) three-fourths of one percent (3/4 of 1%) per annum; on the Withdrawn Credit Balance.
2.05. The Interest Charge is the greater of: (a) the sum of one and a quarter percent (1.25%) per annum plus the Basis Adjustment to the Interest Charge; and (b) zero percent (0%) per annum; on the Withdrawn Credit Balance.

2.06. The Payment Dates are February 15 and August 15 in each year.

2.07. The principal amount of the Credit shall be repaid in accordance with the repayment schedule set forth in Schedule 3 to this Agreement.

2.08. The Payment Currency is Dollar.

ARTICLE III — PROGRAM

3.01. The Recipient declares its commitment to the objective of the Program. To this end, the Recipient, through the Finance Division of its Ministry of Finance, Office of Controller General of Accounts, Department of Auditor General of Pakistan and Public Procurement Regulatory Authority, shall carry out the Program in accordance with the provisions of Article V of the General Conditions and Schedule 2 to this Agreement.

ARTICLE IV — EFFECTIVENESS; TERMINATION

4.01. The Effectiveness Deadline is the date ninety (90) days after the Signature Date.

4.02. For purposes of Section 10.05 (b) of the General Conditions, the date on which the obligations of the Recipient under this Agreement (other than those providing for payment obligations) shall terminate is twenty (20) years after the Signature Date.

ARTICLE V — REPRESENTATIVE; ADDRESSES

5.01. The Recipient’s Representative is the Secretary, Additional Secretary, Joint Secretary, Deputy Secretary or Section Officer of the Recipient’s Economic Affairs Division.

5.02. For purposes of Section 11.01 of the General Conditions: (a) the Recipient’s address is:

The Secretary to the Government of Pakistan
Economic Affairs Division
Ministry of Finance, Revenue and Economic Affairs
Islamabad
Islamic Republic of Pakistan; and
(b) the Recipient's Electronic Address is:
Facsimile: 92-51-9104016

5.03. For purposes of Section 11.01 of the General Conditions: (a) The Association's address is:

International Development Association
1818 H Street, N.W.
Washington, D.C. 20433
United States of America; and

(b) the Association's Electronic Address is:
Telex: 248423 (MCI)
Facsimile: 1-202-477-6391

AGREED as of the Signature Date.

ISLAMIC REPUBLIC OF PAKISTAN
By
Authorized Representative
Name: Mr. Arif Ahmed Khan
Title: Secretary, EAD
Date: December 29, 2017

INTERNATIONAL DEVELOPMENT ASSOCIATION
By
Authorized Representative
Name: Ms. Patchamuthi Ilango
Title: Country Director, Pakistan
Date: December 29, 2017
SCHEDULE 1

Program Description

The objective of the Program is to improve public financial management and procurement systems for better management and accountability in service delivery for health and education sectors.

The Program consists of the following activities under the PFM Reform Strategy.

Results Area 1: Strengthening the Legal Framework and Internal Management Systems in Line Ministries and Service Delivery Units

(a) Provision of technical support underpinning the draft legislation of public financial management and accountability in the form of systems, structures and processes, prior to its submission to the Parliament of the Recipient for approval;
(b) Modernization of internal audit arrangement;
(c) Introduction of integrated service delivery reporting;
(d) Professionalization of public financial management specialist organizations; and
(e) Improvement of cash management policy and practice.

Results Area 2: Improved Procurement Performance

(a) Support to the amendment to the Public Procurement Rules 2004 to improve transparency and competition;
(b) Alignment of procurement plans with the approved budget;
(c) Establishment of the price norm and standard definition and coding of commonly-used terms; and
(d) Creation of opportunities for small and medium enterprises in public procurement.

Results Area 3: Payroll and Pension Payment Systems

(a) Improvement of controls in human resource management;
(b) Expansion of Direct Credit Scheme and digitization of employee records and validation of employees and pensioners; and
(c) Utilization of the pension management information system by designated pension facilitation centers.

Results Area 4: External Audit and Legislative Scrutiny and Social Accountability

(a) Strengthening of the technical capacity of the DAGP;
(b) Development and implementation of social accountability strategies, tools and guidelines for citizen participatory audit;
(c) Improvement of comprehensive financial reporting and adoption of open data principles; and
(d) Improvement of transparency of information through combining the Budget Performance Observatory with Big Data Analytics.

Results Area 5: Performance-based Grant

(a) Establishing forum for the effective federal-province coordination; and
(b) Piloting of innovation awards to promote innovative service delivery and accountability ideas.
SCHEDULE 2

Program Execution

Section I. Implementation Arrangements

Program Institutions

A. Within thirty (30) days of the Effective Date, the Recipient, through the Finance Division of its Ministry of Finance, shall ensure that an appropriate arrangement for the timely and effective implementation of the Program shall be in place.

B. Within sixty (60) days of the Effective Date, the Recipient shall grant its Management Information System Directorate in the Office of the Controller General of Accounts sufficient status to maintain the Recipient’s financial accounting and budgeting system in a sustainable manner for the achievement of the Program results.

C. Within ninety (90) days of the Effective Date, the Recipient shall, through the PPRA, ensure that an appropriate arrangement for the timely and effective support to implement the Recipient’s e-procurement system will be in place.

D. The Recipient shall provide sufficient appropriation and timely release of funds to its Office of Controller General of Accounts, Department of Auditor General of Pakistan and Public Procurement Regulatory Authority and the Finance Division of its Ministry of Finance for the timely implementation of the Program.

E. The Recipient shall carry out the Program Action Plan in accordance with the schedule set out in the said Program Action Plan in a manner satisfactory to the Association.

F. Within six (6) months of the Effective Date, the Recipient shall hire an accredited external audit firm, satisfactory to the Association, for the audit of its Department of Auditor General of Pakistan for the Program.

G. The Recipient shall: (1) through its Department of Auditor General of Pakistan, conduct the audit of the Finance Division of its Ministry of Finance, Office of Controller General of Accounts and Public Procurement Regulatory Authority for the Program; and (2) through the external audit firm referred to in Section I.F above, conduct the audit of its Department of Auditor General of Pakistan for the Program.

Section II. Excluded Activities

The Recipient shall ensure that the Program excludes any activities which:
A. in the opinion of the Association, are likely to have significant adverse impacts that are sensitive, diverse, or unprecedented on the environment and/or affected people; or

B. involve the procurement of: (1) works, estimated to cost $50,000,000 equivalent or more per contract; (2) goods, estimated to cost $30,000,000 equivalent or more per contract; (3) non-consulting services, estimated to cost $30,000,000 equivalent or more per contract; or (4) consultants’ services, estimated to cost $15,000,000 equivalent or more per contract.

Section III. Program Monitoring, Reporting and Evaluation

A. Program Reports

The Recipient shall furnish to the Association each Program Report not later than forty-five (45) days after the end of each calendar semester, covering the calendar semester.

B. Independent Verification Agency

Without limitation upon the generality of Section I of this Schedule 2, the Recipient shall: (a) no later than three (3) months after the Effective Date, appoint the Independent Verification Agency under terms and reference satisfactory to the Association, to carry out the verification of compliance of DLIs; (b) carry out a verification process guided by the verification protocol agreed with the Association; and (c) furnish to the Association the corresponding verification reports in form and substance acceptable to the Association, not later than thirty (30) days after the end of each of the periods under review, in order to submit evidence satisfactory to the Association of the achievement of said DLIs for disbursement.

Section IV. Withdrawal of Credit Proceeds

A. General

1. Without limitation upon the provisions of Article II of the General Conditions and in accordance with the Disbursement and Financial Information Letter, the Recipient may withdraw the proceeds of the Financing to finance the results (“Disbursement Linked Results” or “DLRs”) achieved by the Recipient, as measured against specific indicators (“Disbursement Linked Indicators” or “DLIs”); all as set forth in the table in paragraph 2 of this Part A and the table in Annex to Schedule 2 to this Agreement.
2. The following table specifies each category of withdrawal of the proceeds of the Financing (including the Disbursement Linked Indicators as applicable) ("Category"), as well as the allocation of the amounts of the Financing to each Category. Notwithstanding the foregoing, the actual amount authorized for disbursement against each Disbursement Linked Results corresponding to a Disbursement Linked Indicator ("Allocated Amount") and/or the formula for its determination are set forth in Annex to Schedule to this Agreement.

<table>
<thead>
<tr>
<th>Category (including Disbursement Linked Indicator as applicable)</th>
<th>Amount of the Credit Allocated (expressed in USD)</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1) DLI #1: Reduction of variance in functional expenditure composition for health and education to improve reliability of the budget</td>
<td>$70,000,000</td>
</tr>
<tr>
<td>(2) DLI #2: Reduction in cash held outside the Recipient’s Treasury Single Account</td>
<td>$70,000,000</td>
</tr>
<tr>
<td>(3) DLI #3: Percentage of vendor contracts processed through the Recipient’s e-procurement system</td>
<td>$50,000,000</td>
</tr>
<tr>
<td>(4) DLI #4: Percentage of alignment of information and identification numbers for individual primary school teachers and health workers related to their place of work and salaries</td>
<td>$30,000,000</td>
</tr>
<tr>
<td>(5) DLI #5: Percentage of pensioners, disaggregated by gender, authenticated against NADRA computerized national identity card, paid through the Direct Credit Scheme no later than the following pension payment cycle after retirement.</td>
<td>$30,000,000</td>
</tr>
<tr>
<td>(6) DLI #6: Percentage of audit recommendations processed through the Audit Management Information System</td>
<td>$40,000,000</td>
</tr>
<tr>
<td>(7) DLI #7: Increased citizen access to key fiscal information on health and education</td>
<td>$30,000,000</td>
</tr>
<tr>
<td>(8) DLI #8: Percentage of fiscal performance and service delivery indicators met by the provinces</td>
<td>$80,000,000</td>
</tr>
<tr>
<td>TOTAL AMOUNT</td>
<td>$400,000,000</td>
</tr>
</tbody>
</table>

B. Withdrawal Conditions; Withdrawal Period

1. Notwithstanding the provisions of Part A of this Section, no withdrawal shall be made:

   (a) for purposes of Section 2.03 of the General Conditions, for DLRs achieved prior to the Signature Date, except that withdrawals up to an aggregate amount not to exceed $60,000,000 may be made for such DLRs achieved prior to this date but on or after September 30, 2016; and
(b) for any DLR set forth in Annex to Schedule 2 and corresponding to a DLI under Category (1) through (8), until and unless the Recipient has furnished evidence satisfactory to the Association that said DLR has been achieved.

2. Notwithstanding the provisions of Part B.1(b) of this Section, the Recipient may withdraw an amount not to exceed $40,000,000 allocated to Categories (1) through (8) as an advance; provided, however, that if the DLRs in the opinion of the Association, are not achieved (or only partially achieved) by the Closing Date, the Recipient shall refund such advance (or portion of such advance as determined by the Association in accordance with the provisions of paragraph 3 of this Part B) to the Association promptly upon notice thereof by the Association. Except as otherwise agreed with the Recipient, the Association shall cancel the amount so refunded. Any further withdrawals requested as an advance under any Category shall be permitted only on such terms and conditions as the Association shall specify by notice to the Recipient.

3. Notwithstanding the provisions of Part B.1(b) of this Section, if the Association is not satisfied that any of the DLR(s) set forth in Annex to Schedule 2 to this Agreement have been achieved by the end of the Fiscal Year in which the said DLR is/are set to be achieved, and/or the Allocated Amount(s) of such DLR(s) has/have not been fully withdrawn, the Association may, at any time by notice to the Recipient, decide, in its sole discretion, to:

(a) authorize the withdrawal of such lesser amount of the unwithdrawn proceeds of the Credit then allocated to said Category which, in the opinion of the Association, corresponds to the extent of achievement of DLRs 8.3, 8.4 and 8.5; and/or

(b) withhold all or a portion of the proceeds of the Credit corresponding to the Allocated Amounts for the said DLR(s) until such DLR(s) is/are, in the opinion of the Association, satisfactorily met; and/or

(c) reallocate all or a portion of the proceeds of the Financing then allocated to said DLR(s) to any other DLR(s); and/or

(d) cancel all or a portion of the proceeds of the Credit then allocated to said DLR(s).

4. The Closing Date is November 30, 2021.

5. In the event that: (a) a reversal of a previous DLR(s) has/have occurred in a manner that would, in the opinion of the Association, adversely affect the achievement of the objectives of the Program; and (b) said previous DLR(s) has/have already been
vetted by the Independent Verification Agency using the verification protocol agreed with the Association, and for which the corresponding disbursements have been already made by the Association, the Recipient shall refund the disbursements already made by the Association for said previous DLR(s).

6. For purposes of, inter alia, Section 2.03 and 8.06 of the General Conditions, the "Program Expenditures" mean those expenditures itemized in the attachments to the Recipient's letter to the Association, dated November 16, 2017, reference No. 3(5) EFP-III/2017.
**ANNEX TO SCHEDULE 2**

**Disbursement Linked Indicators Matrix**

<table>
<thead>
<tr>
<th>Total financing allocated to DLI</th>
<th>As % of total financing amount</th>
<th>DLI baseline</th>
<th>Indicative timeline for DLI achievement</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td>FY2017/18</td>
</tr>
<tr>
<td><strong>DLI 1</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Reduction of variance in functional expenditure composition for health and education to improve reliability of the budget.</td>
<td>(FY 2016/2017) Health - 43% Education - 30%</td>
<td>DLR 1.1: National Assembly of the Recipient approves the Federal Consolidated Fund and Public Accounts (Maintenance and Operations) Act. (prior result) ($US20m) DLR 1.2: Auditor General of Pakistan (AGP) in accordance with Article 170 of the Pakistan Constitution 1973, notifies a standardized expenditure control procedure for online bill submission. ($US10m)</td>
<td>DLR 1.3: Less than 25 percent variance in functional expenditure composition for health and education as measured by variation between original approved budget and actual expenditures.</td>
</tr>
</tbody>
</table>

Allocated Amount ($ million): 70

DLI 2
Reduction in cash held outside the Recipient’s Treasury Single Account.

Allocated Amount ($ million): 30

DLR 2.1: Auditor General of Pakistan (AGP) to complete special survey of government accounts in commercial banks. (prior result) ($US10m) DLR 2.2: The Recipient’s Ministry of Finance adopts accounting framework for daily consolidation of all government cash DLR 2.3: 5 percent reduction in cash held outside the TSA. DLR 2.4: additional 5 percent reduction in cash held outside the TSA. DLR 2.5: additional 5 percent reduction in cash held outside the TSA.
Allocated Amount ($ million) | 70 | 18% | 20 | 20 | 20 | 10
---|---|---|---|---|---|---
DLI 3 | Percentage of vendor contracts processed through the Recipient's e-procurement system. | PPRA to establish baseline data based on selected methodology for assessing procurement systems indicators by March 2018. | DLR 3.1: PPRA approves the notification for the amendment to the Recipient’s Public Procurement Rules 2004 (Rules 10, 19, 24, and 33). | DLR 3.2: Publication of mandatory standard bidding documents for goods and request for proposal for consultancy services and contracts for specialized procurements, e.g., ICT, pharmaceuticals, framework contracts. | DLR 3.3: 50 percent of targeted procurement packages (whose contract amount is more than PKR 5 million for goods and services and more than PKR 50 million for works) to be processed through e-procurement for health and education sectors. | DLR 3.4: 50 percent of targeted procurement packages (whose contract amount is more than PKR 5 million for goods and services and more than PKR 50 million for works) processed through e-procurement for health and education sectors. ($ 5m). | DLR 3.5: 50 percent of targeted procurement packages (whose contract amount is more than PKR 5 million for goods and services and more than PKR 50 million for works) processed through e-procurement for additional five selected procuring entities. ($5m). |
Allocated Amount ($ million) | 50 | 13% | 20 | 10 | 10 | 10
---|---|---|---|---|---|---
DLI 4 | Percentage of alignment of information and identification numbers for individual primary school teachers and health workers related to their place of work and salaries. | Individual data in the DIO are not aligned with the ones in the EMIS and HMIS. | DLR 4.1: Completion of mapping of DIO codes to unique primary schools and basic health units in pilot districts. ($5m) | DLR 4.3: 40 percent of primary school teachers and health workers tagged against unique primary schools and basic health units in pilot districts. | DLR 4.4: 60 percent of primary school teachers and health workers tagged against unique primary schools and basic health units in pilot districts. | DLR 4.5: 80 percent of primary school teachers and health workers tagged against unique primary schools and basic health units in pilot districts. |
DLR 4.2: Completion of standardization of sanctioned position codes between the budget and payroll in pilot districts. (US$5m)

<table>
<thead>
<tr>
<th>Allocated Amount ($ million)</th>
<th>30</th>
<th>8%</th>
</tr>
</thead>
</table>

**DLI 5**
Percentage of pensioners, disaggregated by gender, authenticated against NADRA computerized national identity card, paid through the Direct Credit Scheme no later than the following pension payment cycle after retirement.

<table>
<thead>
<tr>
<th>Allocated Amount ($ million)</th>
<th>30</th>
<th>8%</th>
</tr>
</thead>
</table>

**DLR 5.1:** DCS paid 35%

**DLR 5.2:** 50%

**DLR 5.3:** 70%

**DLR 5.4:** 80%

**DLR 5.5:** 90%

**DLR 6.1:** AMIS does not exist.

**DLR 6.2:** AMIS Competency Wing established and audit and PAC staff trained.

**DLR 6.3:** AMIS Competency Wing established and audit and PAC staff trained.

**DLR 6.4:** AMIS Competency Wing established and audit and PAC staff trained.

<table>
<thead>
<tr>
<th>Allocated Amount ($ million)</th>
<th>40</th>
<th>10%</th>
</tr>
</thead>
</table>

**DLI 6**
Percentage of audit recommendations processed through the Audit Management Information System.

**DLR 6.1:** AMIS does not exist.

**DLR 6.2:** AMIS Competency Wing established and audit and PAC staff trained.

**DLR 6.3:** AMIS Competency Wing established and audit and PAC staff trained.

**DLR 6.4:** AMIS Competency Wing established and audit and PAC staff trained.

<table>
<thead>
<tr>
<th>Allocated Amount ($ million)</th>
<th>30</th>
<th>8%</th>
</tr>
</thead>
</table>

**DLI 7**
Increased citizen access to key fiscal information on health and education.

**DLR 7.1:** Submission of an action plan, which includes the Fiscal Transparency theme, by the Recipient to the Open Government Partnership.

**DLR 7.2:** Integrated Service Delivery Report (ISDR) for education sector uploaded in Open Public Finance Data Portal.

**DLR 7.3:** ISDR for education and health sectors uploaded in Open Public Finance Data Portal.

**DLR 7.4:** ISDR for education and health sectors uploaded in Open Public Finance Data Portal.

<table>
<thead>
<tr>
<th>Allocated Amount ($ million)</th>
<th>30</th>
<th>8%</th>
</tr>
</thead>
</table>

**DLI 8**
Percentage of fiscal performance and service delivery indicators met by the provinces.

<table>
<thead>
<tr>
<th>Allocated Amount ($ million)</th>
<th>30</th>
<th>8%</th>
</tr>
</thead>
</table>
for Common Interests (CCI). (US$10m) (prior result)
DLR 8.2:
Establishment and approval of an incentive system by the FCC to improve fiscal performance and service delivery in selected areas. (US$10m) (prior result)

<table>
<thead>
<tr>
<th>Allocated Amount ($ million)</th>
<th>80</th>
<th>20%</th>
<th>20</th>
<th>20</th>
<th>20</th>
<th>20</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total financing allocated</td>
<td>400</td>
<td>100%</td>
<td>130</td>
<td>110</td>
<td>85</td>
<td>75</td>
</tr>
</tbody>
</table>

Allocated Amount ($ million): 80 20%
Total financing allocated: 400 100%
SCHEDULE 3

Repayment Schedule

<table>
<thead>
<tr>
<th>Date Payment Due</th>
<th>Principal Amount of the Credit repayable (expressed as a percentage)*</th>
</tr>
</thead>
<tbody>
<tr>
<td>On each February 15 and August 15:</td>
<td></td>
</tr>
<tr>
<td>commencing February 15, 2023 to and including August 15, 2042</td>
<td>1.65%</td>
</tr>
<tr>
<td>commencing February 15, 2043 to and including August 15, 2047</td>
<td>3.40%</td>
</tr>
</tbody>
</table>

* The percentages represent the percentage of the principal amount of the Credit to be repaid, except as the Association may otherwise specify pursuant to Section 3.05 (b) of the General Conditions.
Definitions

APPENDIX


2. "Allocated Amount" means the amount allocated to each individual DLR, or determined for each DLR pursuant to the formula detailed in the Annex to Schedule 2.


4. “Audit Management Information System” or the acronym “AMIS” means an application used by the Recipient to manage the whole audit cycle with electronic working papers.

5. “AMIS Competency Wing” means the unit to be established, pursuant to DLR 6.1, to build capacity within the DAGP to manage and implement AMIS.

6. Basis Adjustment to the Interest Charge” means the Association’s standard basis adjustment to the Interest Charge for credits in the currency of denomination of the Credit, in effect at 12:01 a.m. Washington, D.C. time, on the date on which the Credit is approved by the Executive Directors of the Association, and expressed either as a positive or negative percentage per annum.

7. “Basis Adjustment to the Service Charge” means the Association’s standard basis adjustment to the Service Charge for credits in the currency of denomination of the Credit, in effect at 12:01 a.m. Washington, D.C. time, on the date on which the Credit is approved by the Executive Directors of the Association, and expressed either as a positive or negative percentage per annum.

8. “Big Data Analytics” means the process of examining large and varied data sets to discover patterns or trends and other useful information that can help in audit, policy formulation, monitoring and evaluation.

9. “Budget Performance Observatory” or “BPO” means a Recipient’s web portal designed to serve different users by providing public finance data that is machine readable and can be freely used, re-used and redistributed.
10. "Category" means a category set forth in the table in Section IV.A.2 of Schedule 2 to this Agreement.

11. Council for Common Interests” or “CCI” means the body set up under Article 153 of the Constitution of the Islamic Republic of Pakistan 1973, with the role of coordinating joint federal-provincial tasks with primary responsibility to regulate policies and exercise supervision of institutions under its purview.


13. “Direct Credit Scheme” or “DCS” means the system of direct payment into the commercial bank account of beneficiaries.

14. “Disbursement Linked Indicator” or “DLI” means in respect of a given Category, the indicator related to said Category as set forth in the table in Section IV.A.2 of Schedule 2 and Annex to Schedule 2 to this Agreement.

15. “Disbursement Linked Result” or “DLR” means in respect of a given Category, the result under said Category as set forth in the table in the Annex to Schedule 2 to this Agreement, on the basis of the achievement of which, the amount of the Financing allocated to said result may be withdrawn in accordance with the provisions of said Annex.

16. “Drawing and Disbursing Officer” or “DDO” means the budget holder at a cost center in the Recipient’s budgetary system responsible for submitting claims for payment.

17. “Education Management Information System” or “EMIS” means the Recipient’s organized group of information and documentation services that collects, stores processes, analyzes and disseminates information for educational planning and management.


19. “Fiscal Coordination Committee” or “FCC” means the committee comprising the Recipient’s provincial and federal finance secretaries tasked to synchronize fiscal policy coordination and budget implementation.

20. “Fiscal Transparency” means provision of key public finance data to the public in user friendly format.
21. "Fiscal Year" or "FY" means the fiscal year of the Recipient commencing on July 1 of each calendar year, and ending on June 30 of the following calendar year.


23. "Health Management Information System" or "HMIS" means the Recipient's data collection system specifically designed to support planning, management, and decision making in health facilities and organization.

24. "ICT" means the information and communications technology.

25. "Independent Verification Agency" means an independent institution which has been selected based on an established criteria set out in the terms of reference acceptable to the Association, and verifies the achievement of the DLI based on a detailed DLI verification protocol jointly endorsed by the Recipient and the Association.


27. "Ministry of Finance" or "MoF" means the Ministry of Finance, Revenue and Economic Affairs of the Recipient.

28. "NADRA" means the National Database and Registration Authority of the Recipient, or any successor thereto.

29. "OM" means the operational module used in the financial accounting and budgeting system, used by the Comptroller General of the Accounts of the Recipient.

30. "Open Government Partnership" means the multilateral initiative, formally launched on September 20, 2011, aiming to secure concrete commitments from governments to promote transparency, empower citizens, fight corruption and harness new technologies to strengthen governance.

32. “PAC” means the public accounts committee which is one of the statutory organs of the Parliament of Pakistan to whom the annual report of the Auditor General of Pakistan is referred.

33. “PFM Reform Strategy” means the reform measures to consolidate public financial management progress and make incremental improvements to ensure that systems deliver to their full potential in an accountable and transparent manner.

34. “PPRA” means the Public Procurement Regulatory Authority of the Recipient, or any successor thereto.

35. “Program Action Plan” means the Recipient’s plan dated November 16, 2017 and referred to in Section I.F of Schedule 2 to this Agreement, as may be amended from time to time with the agreement of the Association.

36. “PKR” means the Pakistan Rupees, the lawful currency of the Recipient.


38. “Signature Date” means the later of the two dates on which the Recipient and the Association signed this Agreement and such definition applies to all references to “the date of the Financing Agreement” in the General Conditions.

39. “Treasury Single Account” or “TSA” means a banking arrangement for the consolidation of government financial resources in one bank account or multiple bank accounts linked to one main account through which the government transacts all its receipts and payments.