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Report No: RES58293

INTERNATIONAL DEVELOPMENT ASSOCIATION

RESTRUCTURING PAPER

ON A

PROPOSED PROGRAM RESTRUCTURING

OF THE

PUBLIC FINANCIAL MANAGEMENT AND ACCOUNTABILITY TO SUPPORT SERVICE DELIVERY
PROGRAM FOR RESULTS

APPROVED ON DECEMBER 19, 2017

TO THE

ISLAMIC REPUBLIC OF PAKISTAN

Governance Global Practice
South Asia Region

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ABBREVIATIONS AND ACRONYMS

AMIS	Audit Management Information System
DCS	Direct Credit Scheme
FCC	Fiscal Coordination Committee
KPK	Khyber Pakhtunkhwa
PAO	Principal Accounting Officer
PAC	Public Accounts Committee
PDO	Project Development Objective
PforR	Program for Results
PFM	Public Financial Management
RTGS	Real Time Gross Settlement
TSA	Treasury Single Accounting



DATA SHEET (PFM and accountability to support service delivery PforR - P157507)

Project ID P157507	Financing Instrument Program-for-Results Financing	IPF Component No
Approval Date 19-Dec-2017	Current Closing Date 31-Oct-2023	

Organizations

Borrower Islamic Republic of Pakistan	Responsible Agency
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Program Development Objective(s)

The project development objective (PDO) is to improve public financial management and procurement systems for better management and accountability in service delivery for health and education sectors.

Summary Status of Financing (US\$, Millions)

Ln/Cr/TF	Approval Date	Signing Date	Effectiveness Date	Closing Date	Net Commitment	Disbursed	Undisbursed
IDA-61700	19-Dec-2017	29-Dec-2017	29-Dec-2017	31-Oct-2023	380.00	342.41	37.59

Policy Waiver(s)

Does the Program require any waivers of Bank policies applicable to Program-for-Results operations?

No



I. PROGRAM STATUS AND RATIONALE FOR RESTRUCTURING

A. Program Status

1. **The World Bank's Board of Executive Directors approved the Public Financial Management (PFM) and Accountability for Service Delivery Program for Results (PforR, P157507) on December 19, 2017.** The Program became effective on December 29, 2017. The Program was restructured twice: (i) on November 22, 2021 to extend the closing date to June 30, 2023 and to reduce the size of the Program to US\$380 million; and (ii) on June 25, 2023, to extend the closing date to October 31, 2023. This proposed restructuring aims to reallocate financing across Disbursement Linked Results (DLRs).

2. **The Program aims to improve PFM and procurement systems for better management and accountability in service delivery for health and education sectors, through the following five key result areas:**

- Strengthening the Legal Framework and Internal Management Systems in Line Ministries and Service Delivery Units (US\$110 million);
- Improved Procurement Performance (US\$45 million);
- Payroll and Pension Payment Systems (US\$65 million);
- External Audit, Legislative Scrutiny and Social Accountability (US\$80 million); and
- Performance-based Grants (US\$80 million).

3. **The Program continues to operate under a strong authorizing environment,** as reflected in the Government of Pakistan's PFM Reform Strategy (2017) and initiatives following the PFM Act 2019, such as the federal government's transitioning toward the Treasury Single Accounting (TSA) system, decentralized payment process and delegation of full financial powers to Principal Accounting Officers (PAOs) to support the management of budgets for improved service delivery.

4. **Program implementation remains on track, with progress towards achievement of the Program Development Objective (PDO) rated Moderately Satisfactory and Implementation Progress rated Satisfactory.** Progress against implementation of the five key result areas and achievement of the PDO level indicators is as follows:

- **Result Area 1** focuses on strengthening the legal framework and internal management systems of line ministries and service units. The enactment of a PFM Law has helped empower the principal accounting officers, lay principals and foundation for TSA and improve discipline in Public Investment Management. A Cash Management and TSA policy (2019-2029) has also been implemented to save costs and increase efficiency in cash management. The State Bank has linked the bank accounts in commercial banks to the tune of PKRs 150 billion through a sweeping arrangement under the Real Time Gross Settlement (RTGS) system. Electronic Fund Transfer is implemented in the federal government and expected to be replicated across the country. The budget reforms mandated by the PFM Law have contributed to improvements in the Budget Transparency Index Score of Pakistan from 28 points in 2017 to 46 points in 2022.
- **Result Area 2** pertains to improved procurement performance. The E-Procurement system has been piloted in the Federal Ministries of Health and Education and has been adopted by the Government Punjab. A Memorandum of Understanding was signed between the Federal Public Procurement Regulatory Authority (PPRA) and Provincial PPRA. Punjab, Sindh and Khyber Pakhtunkhwa (KPK) are adopting the systems developed by the Federal Government and Baluchistan has already implemented an e-procurement system that will be aligned with the Federal System. Improvements in the Public Procurement Rules and regulations are being undertaken to support seamless implementation of the e-Procurement systems and interoperability with different entities.



- **Result Area 3** concerns payroll and pension payment systems. The federal government and all provinces have implemented a Direct Credit Scheme (DCS) for pension payments, including verification under the National Database and Registration Authority. Over 90 percent civil pensioners of the federal government have been brought under the DCS, 100 percent in Punjab, Baluchistan, Sindh, and KPK. This has helped in eliminating thousands of ghost pensioners. Personnel data is being reconciled with provincial payrolls in KPK, Punjab and Baluchistan, thereby improving internal controls of salary expenditure. In Punjab, while the entire payroll data is reconciled, complete change over may not be completed before the end of the Program.
- **Result Area 4** addresses external audit, legislative scrutiny and social accountability. An Audit Management Information System (AMIS) was launched to enhance monitoring of the entire audit cycle. The new system provides transparent tracking of each step of the audit cycle, which includes audit planning, quality assurance, execution, reporting, and follow up. The Auditor General of Pakistan has a backlog of 40,000 audit recommendations. These audit recommendations are, for the first time, shifted from manual to digital mode to enable auditors and members of the Public Accounts Committee (PAC) to sift through the audit reports, reduce redundancies and duplications, and thus effectively follow up on the material audit recommendations.
- **Result Area 5** provides incentives to improve PFM performance through performance-based grants. The Finance Division has approved recommendations from the Fiscal Coordination Committee's (FCC) regarding performance grants to provinces to incentivize provincial governments for implementing federal PFM reforms. All provinces have enacted PFM Laws, initiated the implementation of a single e-procurement system in the federal government and three provinces, and adopted electronic pension payments, online payment system, and citizen budgets. The performance grants will support uniformity of sector reforms across all government units.

B. Rationale for Restructuring

5. **Three scalable Disbursement Linked Results are unlikely to be completed by the closure of the Program.** These are:

- a. **DLR 1.6: Less than 13 percent variance in functional expenditure composition for health and education as measured by variation between original approved budget and actual expenditures (US\$ 5 million, of which US\$1 million cannot be achieved).** This DLR is time-bound, with fixed targets that cannot be adjusted. The variance for this DLR is calculated for the fiscal year 2021-22, during which the governments faced challenges due to the aftermath of Covid-19. As a result, federal government was unable to achieve the target variance.
- b. **DLR 1.7: Less than 10 percent variance in functional expenditure composition for health and education as measured by variation between original approved budget and actual expenditures (US\$5 million, of which US\$2 million cannot be achieved).** Two of four provinces are unlikely to meet the target due to the impact of the 2022 flood disaster faced by the country.
- c. **DLR 4.6: Pilots replicated across one additional provincial government (US\$2.5 million, of which US\$2.5 million cannot be achieved).** This DLR, which supports the government's integration of budgeting and accounting systems for personnel data, is underway, but unlikely to be achieved by the closing date.



6. The Ministry of Economic Affairs has accordingly requested on October 18, 2023 that the funds attached to these DLRs, in the amount of US\$5.5 million, are reallocated to DLR 2.7: Additional 5 percent of baseline or additional PKRs 50 billion brought under the TSA.

The Treasury Single Account (TSA) is a key intervention aimed at consolidating and centralizing government funds. The PFM program has supported the inclusion of PKR 150 billion into the TSA. The TSA also has the potential to create savings of PKR 33 billion – or an annual saving of US\$117 million. The allocation of this DLR was reduced in the first restructuring due to limited progress. The increase in allocation by US\$ 5.5 million partially restores the original assessment of the level of ambition and effort required to make this significant achievement.

II. DESCRIPTION OF PROPOSED CHANGES

7. This Program restructuring proposes the following changes which are presented in the table below:

- a. DLRs 1.6, 1.7 will be revalued while DLR 4.6 will be dropped.
- b. Reallocate an additional amount of US\$5.5 million to DLR 2.7.

DLR	Description	Original Allocation (in US\$ million)	Revised Allocation (in US\$ Million)
DLR 1.6	Less than 13 percent variance in functional expenditure composition for health and education as measured by variation between original approved budget and actual expenditures.	5	4
DLR 1.7	Less than 10 percent variance in functional expenditure composition for health and education as measured by variation between original approved budget and actual expenditures.	5	3
DLR 2.7	Additional 5 percent of baseline or additional PKRs 50 billion brought under the TSA	5.5	10.5
DLR 4.6	DLR 4.6: Pilots replicated across one additional provincial government.	2.5	0

III. SUMMARY OF CHANGES

	Changed	Not Changed
Reallocation between and/or Change in DLI	✓	
Change in Implementing Agency		✓
Change in Program's Development Objectives		✓



Change in Program Scope		✓
Change in Results Framework		✓
Change in Loan Closing Date(s)		✓
Change in Cancellations Proposed		✓
Change in Disbursements Arrangements		✓
Change in Disbursement Estimates		✓
Change in Systematic Operations Risk-Rating Tool (SORT)		✓
Change in Safeguard Policies Triggered		✓
Change in Legal Covenants		✓
Change in Institutional Arrangements		✓
Change in Implementation Schedule		✓
Other Change(s)		✓

IV. DETAILED CHANGE(S)



ANNEX 1: RESULTS FRAMEWORK

Results framework

Program Development Objectives(s)

The project development objective (PDO) is to improve public financial management and procurement systems for better management and accountability in service delivery for health and education sectors.

Program Development Objective Indicators by Objectives/ Outcomes

Indicator Name	DLI	Baseline	Intermediate Targets					End Target
			1	2	3	4	5	
Strengthening the legal framework and internal management systems in line ministries and SDUs								
Reduction of variance in functional expenditure composition for health and education (Text)		Variance in health and education for fiscal year 2016-17 (Federal) - 26% (Punjab) - 21 % (Khyber Pakhunkhwa) - 29% (Sindh) - 11% for fiscal year 2016-17 (Baluchistan) - 10%	PFM law enacted	Less than 25 percent variance in functional expenditure composition for health and education as measured by variation between original approved budget and actual expenditures. (FY 2018-19)	Less than 15 percent variance in functional expenditure composition for health and education as measured by variation between original approved budget and actual expenditures. (FY 2019-20)	Less than 13 percent variance in functional expenditure composition for health and education as measured by variation between original approved budget and actual expenditures.	Less than 10 percent variance in functional expenditure composition for health and education as measured by variation between original approved budget and actual expenditures.	Less than 10 percent variance in functional expenditure composition for health and education as measured by variation between original approved budget and actual expenditures.



Indicator Name	DLI	Baseline	Intermediate Targets					End Target
			1	2	3	4	5	
Reduction in cash held outside the Recipient's Treasury Single Account (Text)		(FY 2016-17) Federal Government Deposits of PKRs 0.916 trillion parked in commercial bank accounts of which PKRs 0 billion was brought into the TSA.	DLR 2.1: Auditor General of Pakistan (AGP) to complete special survey of government accounts in commercial banks. (prior result) (US\$10m) DLR 2.2: The Recipient's Ministry of Finance adopts accounting framework for daily consolidation of all government cash balances as part of the TSA. (prior result) (US\$10m)	Deleted	Deleted	Deleted	10% of baseline (PKRs 100 billion) brought under the TSA (US \$ 1.5 million for PKRs 10 billion brought under the TSA)	15% of the baseline or PKRs 150 billion brought into the TSA
Improved procurement performance								
Percentage of vendor contracts processed through the Recipient's e-procurement system (Text)	0.00		PPRA approves the notification for the amendment to the Recipient's Public	Publication of mandatory standard bidding documents for goods and	Development of an e-Procurement system	e-procurement pilot test run in identified entities	50 to 90 percent of targeted packages (whose contract amount is more than	50 to 90 percent of targeted procurement packages (whose contract amount is



Indicator Name	DLI	Baseline	Intermediate Targets					End Target	
			1	2	3	4	5		
			Procurement Rules 2004 (Rules 10, 19, 24, and 33).	request for proposal for consultancy services and contracts for specialized procurements, e.g., ICT, pharmaceuticals, framework contracts.				PKR 5 million for goods and services and more than PKR 50 million for works) to be processed through e-procurement for targeted primary health and primary education sectors.	more than PKR 5 million for goods and services and more than PKR 50 million for works) to be processed through e-procurement for targeted primary health and primary education sectors.
External audit, legislative scrutiny, and social accountability.									
Percentage of audit recommendations processed through the Audit Management Information System. (Text)		Audit Management Information System does not exist	Establish AMIS Center and train officials of AMIS Center and PAC Secretariat	40.00	0.60	0.80	80.00	80.00	
Performance-based grant									
Percentage of fiscal performance and service delivery indicators met by the provinces (Text)		0.00	Fiscal Coordination Committee notified	Innovation award provided from the Ministry of Finance of the Recipient to the provincial governments for at least 10 percent up to 20 percent of fiscal performance and service delivery	Innovation award provided from the Ministry of Finance of the Recipient to the provincial governments for at least 25 percent up to 50 percent of fiscal performance and service delivery	Innovation award provided from the Ministry of Finance of the Recipient to the provincial governments for at least 35 percent up to 70 percent of fiscal performance and service delivery	Innovation award provided from the Ministry of Finance of the Recipient to the provincial governments for at least 35 percent up to 70 percent of fiscal performance and service delivery	Innovation award provided from the Ministry of Finance of the Recipient to the provincial governments for at least 35 percent up to 70 percent of fiscal performance and	



Indicator Name	DLI	Baseline	Intermediate Targets					End Target
			1	2	3	4	5	
				indicators met.	indicators met.	indicators met.	indicators met.	service delivery indicators met.

Intermediate Results Indicators by Result Areas

Indicator Name	DLI	Baseline	Intermediate Targets					End Target
			1	2	3	4	5	
Strengthening legal framework and internal management systems in line ministries,service delivery								
Notification of revised updated delegation of power, General Financial Rules, Accounting Policies and Procedures Manual and Chart of Accounts. (Text)		Legal Framework for Public Financial Management in terms of Law and Subsidiary Rules does not exist	PFM Act enacted.	Rules under PFM Act for delegation of powers to Principal Accounting Officers notified	Treasury Rule to support receipt and payments notified	General Financial Rules updated and notified	Accounting Policy and Procedure Manual and Chart of Accounts updated	Regulatory Framework updated (PFM law, Functions and Powers of PAO, Receipt and Payment Rules, General Financial Rules, APPM and Chart of Accounts)
Internal Audit arrangements modernized in health and education departments. (Text)		Regulatory framework for internal audit function does not exist	PFM Law approved with provisions for internal audit	Internal Audit function notified	Internal Audi Committee notified	Internal Audi Plan for Health and Education prepared	Internal Audit Reports for Health and Education issued	Internal Audit Reports for Health and Education issued
Improve the timeliness of comprehensive financial and nonfinancial reporting by linkage or interface (Text)		Dashboard for fiscal information does not exist	Implement dashboard to report on fiscal information	establish e-forms for communicating and consolidating non-FABS data	Upload comprehensive TSA data into the Dashboard on a monthly basis and	Develop Interface with State Bank of Pakistan	Comprehensive reports published on Ministry of Finance Dashboard and updated at least on	Comprehensive reports published on Ministry of Finance Dashboard and



Indicator Name	DLI	Baseline	Intermediate Targets					End Target
			1	2	3	4	5	
					initiate reporting to higher management		monthly basis	updated at least on monthly basis
Approved Cash Management Policy with accounting framework for daily consolidation of all government (Text)		Regulatory framework for Cash Management does not exist	Regulatory framework for Cash Management does not exist	PFM Act incorporating principals of cash management approved by the parliament	Cash Management Framework approved by the Cabinet	Cash Management Unit established	TSA rules and accounting framework for MDAs notified	Legal Framework including law and subsidiary rules for cash management in place
External audit, legislative scrutiny, and social accountability								
Reports of PAC hearings on audit report on annual financial statements are published on the website (Yes/No)	No	No	Yes	Yes	Yes	Yes	Yes	Yes
Financial transactions of health and education function recorded in FABS audited through Computer Ai (Text)	0.00	Software for Computer Assisted Audits aquired	Training manuals for CAATs prepared	0.20	0.60	0.70	0.80	
Citizen Portal set up to facilitate Citizen Participatory Audits, including fraud hotline for feedback (Text)	No	No	Yes	Yes	Yes	Yes	Yes	Yes
Citizen Participatory Audit reports that cover	0.00	0.00	0.00	0.00	0.00	2.00	4.00	



Indicator Name	DLI	Baseline	Intermediate Targets					End Target
			1	2	3	4	5	
indicators in the ISDR published. (Number)								
Improved procurement performance								
Number of departments with vendor claims for health and education departments paid at accounting offices. electronically (Number)		0.00	0.00	0.00	0.00	0.00	2.00	4.00
Bank reconciliation of all active government bank accounts in the TSA takes place at least monthly at (Weeks)		8.00	8.00	8.00	8.00	6.00	4.00	4.00
Percent of budget derived from procurement plans in selected federal ministries of health and education (Percentage)		0.00	0.00	0.00	0.00	50.00	60.00	90.00
Databases or records are maintained for contracts, including data on what has been procured, value o (Percentage)		0.00	0.00	0.00	0.00	0.00	0.00	50.00
E-procurement guidelines issued and Supplier Relations Management		0.00	0.00	0.00	0.00	0.00	1.00	2.00



Indicator Name	DLI	Baseline	Intermediate Targets					End Target
			1	2	3	4	5	
Module operational in health and education (Number)								
End user training in e-Procurement system (Number)		0.00	0.00	0.00	0.00	0.00	40.00	80.00
Performance-based grant								
Incentive system by the FCC to improve fiscal performance and service delivery in selected areas (Yes/No)		No	Yes	Yes	Yes	Yes	Yes	Yes
Innovative applications used to report and account for funds utilized. (Number)		0.00	0.00	1.00	2.00	3.00	4.00	4.00

Disbursement Linked Indicators Matrix

DLI 1	Reduction of variance in functional expenditure composition for health and education to improve the reliability of the budget			
Type of DLI	Scalability	Unit of Measure	Total Allocated Amount (USD)	As % of Total Financing Amount
Outcome	Yes	Text	70,000,000.00	71.43
Period	Value		Allocated Amount (USD)	Formula



Baseline	Federal - 26% KPK - 29% Punjab - 22% Sindh - 11% Baluchistan - 10%		
FY 2017/18	DLR 1.1: National Assembly of the Recipient approves the Federal Consolidated Fund and Public Accounts (Maintenance and Operations) Act. (prior result) (US\$20m) 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. (US\$10m)	30,000,000.00	
FY2018/19	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.	20,000,000.00	
Fy 2019/20	DLR 1.4 Deleted	0.00	
FY 2020/21	DLR 1.5: Less than 15 percent variance in functional expenditure composition for health and education as measured by variation between original approved budget and actual expenditures for federal and each of the provincial governments (2 million for each government).	10,000,000.00	US \$ 2 million for each government
FY 2021/22	DLR 1.6: Less than 13 percent variance in functional expenditure composition for health and education as measured by variation between original approved budget and actual expenditures for federal and each of the provincial governments (1 million for each government).	5,000,000.00	US \$ 1 million for each government
FY 2022/23	DLR 1.7: Less than 10 percent variance in functional expenditure composition for health and education as measured by variation between original	5,000,000.00	US \$ 1 million for each government



	approved budget and actual expenditures (US \$ 1 million for each government)			
DLI 2	Reduction in cash held outside the Recipient's Treasury Single Account			
Type of DLI	Scalability	Unit of Measure	Total Allocated Amount (USD)	As % of Total Financing Amount
Outcome	Yes	Text	40,000,000.00	50.00
Period	Value		Allocated Amount (USD)	Formula
Baseline	(FY 2016-17) Federal Government Deposits of PKRs 0.916 trillion parked in commercial bank accounts of which PKRs 0 billion was brought into the TSA.			
FY 2017/18	DLR 2.1: Auditor General of Pakistan (AGP) to complete special survey of government accounts in commercial banks. (prior result) (US\$10m) DLR 2.2: The Recipient's Ministry of Finance adopts accounting framework for daily consolidation of all government cash balances as part of the TSA. (prior result) (US\$10m)		20,000,000.00	
FY2018/19	DLR 2.3 : Deleted		0.00	
Fy 2019/20	DLR 2.4: Deleted		0.00	
FY 2020/21	DLR 2.5: Deleted		0.00	
FY 2021/22	DLR 2.6 10% of baseline (PKRs 100 billion) brought under the TSA (US \$ 1 million for PKRs 10 billion brought in the TSA)		15,000,000.00	US \$ 1.5 million for PKRs 10 billion
FY 2022/23	DLR 2.7 Additional 5% of baseline or additional PKRs 50 billion brought under the TSA (US \$ 1 million for		5,000,000.00	US \$ 1 million for PKRs 10 billion above PKRs 100 billion brought under the TSA



	PKRs 10 billion above PKRs 100 billion brought in the TSA)			
DLI 3	Percentage of vendor contracts processed through the Recipient’s e-procurement system			
Type of DLI	Scalability	Unit of Measure	Total Allocated Amount (USD)	As % of Total Financing Amount
Outcome	Yes	Text	45,000,000.00	44.44
Period	Value		Allocated Amount (USD)	Formula
Baseline	PPRA to establish baseline data based on selected methodology for assessing procurement systems indicators by March 2018.			
FY 2017/18	DLR 3.1: PPRA approves the notification for the amendment to the Recipient’s Public Procurement Rules 2004 (Rules 10, 19, 24, and 33).		20,000,000.00	
FY2018/19	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.		10,000,000.00	
Fy 2019/20	DLR 3.3 Deleted		0.00	
FY 2020/21	DLR 3.4 Deleted DLR 3.5 Deleted		0.00	
FY 2021/22	DLR 3.6: e-procurement pilot test run in identified entities (2.5) DLR 3.7: Intra-operability framework, and process mapping signed off between the federal and provincial PPRAs and key federal entities. (2.5)		5,000,000.00	



FY 2022/23	DLR 3.8: 50 to 90 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 targeted primary health and primary education sectors. (US \$ 6 million on achievement of 50% target. US\$ 1 million for each additional 10%)		10,000,000.00	US \$ 6 million on achievement of 50% target. US\$ 1 million for each additional 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			
Type of DLI	Scalability	Unit of Measure	Total Allocated Amount (USD)	As % of Total Financing Amount
Intermediate Outcome	No	Text	35,000,000.00	85.71
Period	Value		Allocated Amount (USD)	Formula
Baseline	Individual data in the OM are not aligned with the ones in the HR records maintained in the health and education departments			
FY 2017/18	DLR 4.1: Completion of mapping of DDO codes to unique primary schools and basic health units in pilot districts. (US\$5m)DLR 4.2: Completion of standardization of sanctioned position codes between the budget and payroll in pilot districts. (US\$5m)		10,000,000.00	
FY2018/19	DLR 4.3: 40 percent of primary school teachers and health workers tagged against unique primary schools and basic health units in pilot districts.		10,000,000.00	
Fy 2019/20	DLR 4.4: 60 percent of primary school teachers and health workers tagged against unique primary schools and basic health units in pilot districts.		5,000,000.00	



FY 2020/21	DLR 4.5: 80 percent of primary school teachers and health workers tagged against unique primary schools and basic health units in pilot districts.		5,000,000.00	
FY 2021/22	DLR 4.6: Pilots replicated across one provincial or federal government		2,500,000.00	
FY 2022/23	DLR 4.6: Pilots replicated across one additional provincial government		2,500,000.00	
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 cy			
Type of DLI	Scalability	Unit of Measure	Total Allocated Amount (USD)	As % of Total Financing Amount
Intermediate Outcome	Yes	Text	30,000,000.00	83.33
Period	Value		Allocated Amount (USD)	Formula
Baseline	DCS paid 35%			
FY 2017/18	DLR 5.1:50%		10,000,000.00	
FY2018/19	DLR 5.2: 70%		10,000,000.00	
Fy 2019/20	DLR 5.3: 80%		5,000,000.00	
FY 2020/21	DLR 5.4 Deleted		0.00	
FY 2021/22	DLR 5.5 85% (US 500,000 for each additional 1% above 80%)		2,500,000.00	US 500,000 for each additional 1% above 80%
FY 2022/23	DLR 5.6: 90% (US 500,000 for each additional 1% above 85%)		2,500,000.00	US 500,000 for each additional 1% above 85%



DLI 6				
Percentage of audit recommendations processed through the Audit Management Information System.				
Type of DLI	Scalability	Unit of Measure	Total Allocated Amount (USD)	As % of Total Financing Amount
Outcome	No	Text	50,000,000.00	80.00
Period	Value		Allocated Amount (USD)	Formula
Baseline	AMIS does not exist.			
FY 2017/18	DLR 6.1: AMIS Competency Wing established and audit and PAC staff trained		10,000,000.00	
FY2018/19	DLR 6.2: 40 percent of PAC recommendations for health sector effectively followed up and reports published on an official website or by any other means easily accessible to the public		10,000,000.00	
Fy 2019/20	DLR 6.3: 60 percent of PAC recommendations for health and education sectors effectively followed up and reports published on an official website or by any other means easily accessible to the public.		10,000,000.00	
FY 2020/21	DLR 6.4: 80 percent of PAC recommendations for health and education sectors effectively followed-up and reports published on an official website or by any other means easily accessible to the public		10,000,000.00	
FY 2021/22	DLR 6.5: 80 percent of PAC recommendations for health, education and at least two more sectors effectively followed-up and reports published on an official website or by any other means easily accessible to the public		5,000,000.00	
FY 2022/23	DLR 6.6: 80 percent of PAC recommendations for health, education and at least four more sectors effectively followed-up and reports published on an		5,000,000.00	



	official website or by any other means easily accessible to the public			
DLI 7	Increased citizen access to key fiscal information on health and education.			
Type of DLI	Scalability	Unit of Measure	Total Allocated Amount (USD)	As % of Total Financing Amount
Intermediate Outcome	No	Text	30,000,000.00	50.00
Period	Value		Allocated Amount (USD)	Formula
Baseline	FY 16/17 Budget			
FY 2017/18	DLR 7.1 Deleted		0.00	
FY2018/19	DLR 7.2: Integrated Service Delivery Report (ISDR) for education sector uploaded in Open Public Finance Data Portal.		10,000,000.00	
Fy 2019/20	DLR 7.3: ISDR for education and health sectors uploaded in Open Public Finance Data Portal.		5,000,000.00	
FY 2020/21	DLR 7.4: ISDR for education and health sectors uploaded in Open Public Finance Data Portal.		5,000,000.00	
FY 2021/22	DLR 7.5: Integrated Service Delivery Report (ISDR) for education , health and povety alleviation sector sector uploaded in Open Public Finance Data Portal.		5,000,000.00	
FY 2022/23	DLR 7.6: Government wide citizen budget execution reports uploaded in Open Public Finance Data Portal		5,000,000.00	



DLI 8		Percentage of fiscal performance and service delivery indicators met by the provinces.		
Type of DLI	Scalability	Unit of Measure	Total Allocated Amount (USD)	As % of Total Financing Amount
Outcome	Yes	Text	80,000,000.00	82.64
Period	Value		Allocated Amount (USD)	Formula
Baseline	No existing coordination mechanism			
FY 2017/18	DLR 8.1: Establishment of Fiscal Coordination Committee (FCC) by the Council 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)		20,000,000.00	
FY2018/19	DLR 8.3: Innovation award provided from the Ministry of Finance of the Recipient to the provincial governments for at least 10 percent up to 20 percent of fiscal performance and service delivery indicators met.		20,000,000.00	
Fy 2019/20	DLR 8.4: Innovation award provided from the Ministry of Finance of the Recipient to the provincial governments for at least 25 percent up to 50 percent of fiscal performance and service delivery indicators met		20,000,000.00	
FY 2020/21	DLR 8.5: Innovation award provided from the Ministry of Finance of the Recipient to the provincial governments for at least 35 percent up to 70 percent of fiscal performance and service delivery indicators met.		20,000,000.00	



FY 2021/22		0.00	
FY 2022/23		0.00	



ANNEX 2: PROGRAM ACTION PLAN

Action Description	Source	DLI#	Responsibility	Timing		Completion Measurement
Complete third surveillance audit for ISO 27001:2013 Information Security Management Services Certification.	Other		CGA	Due Date	30-Sep-2020	Report
Undertake Open Data Readiness Assessment and adopt an implementation plan.	Technical		PPRA	Due Date	30-Sep-2020	Data Readiness Report
Undertake pension sustainability analysis: pension liabilities to be informed by sound actuarial analysis, coupled with a system in place for funding these liabilities.	Technical		Auditor General of Pakistan	Due Date	31-May-2019	Pension Liability Assessment Report
Sustaining activities for collaborative leadership, change management, and strategic communication, including media outreach to citizens presenting the benefits of the reform program and seeking feedback for course correction.	Technical		Ministry of Finance.	Due Date	30-Jun-2018	Nomination of Committees
PPRAs to ascertain KPIs and	Technical		Public Procurement	Recurrent	Semi-Annually	Notification of KPIs



baselines to monitor the reform progress.			Regulatory Authority			
A robust grievance redress mechanism in place improving upon the current practices, and available to each ministry, vendors, contractors and pensioners	Technical		CGA, AGP, PPRA, MoF	Due Date	30-Jun-2018	Citizen Portal
A mechanism for enhanced citizen engagement in measuring program performance/improvement in service delivery (specifically in education), participating in Performance Audits and endorsing open data	Technical		AGP	Due Date	23-Apr-2021	Performance audit of education and health indicators