
**KP / FATA / BALOCHISTAN MDTF
GRANT NUMBER TF0B3385-PK**

**KP/FATA/Balochistan Multi-Donor
Trust Fund
Grant Agreement
(Amended and Restated
Grant Agreement)**

(Governance and Policy Project for Khyber Pakhtunkhwa)

between

ISLAMIC REPUBLIC OF PAKISTAN

and

**INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT
INTERNATIONAL DEVELOPMENT ASSOCIATION**

acting as administrator of the KP/FATA/Balochistan Multi-Donor Trust Fund

**KP / FATA / BALOCHISTAN MDTF
GRANT NUMBER TF0B3385-PK**

**KP / FATA / BALOCHISTAN MULTI-DONOR TRUST FUND
GRANT AGREEMENT**

AGREEMENT dated as of the Signature Date between the ISLAMIC REPUBLIC OF PAKISTAN (“Recipient”) and the INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT AND INTERNATIONAL DEVELOPMENT ASSOCIATION (collectively, “World Bank”), acting as administrator of the KP/FATA/BALOCHISTAN MULTI-DONOR TRUST FUND.

WHEREAS the World Bank entered into a grant agreement with the Recipient on May 23, 2017 (“Original Grant Agreement”) and a project agreement with the PROVINCE OF KHYBER PAKHTUNKHWA (“Project Implementing Entity”) on May 9, 2017 (“Original Project Agreement”) for the implementation of the project described in Schedule 1 to the Grant Agreement (“Project”).

WHEREAS the World Bank extended to the Recipient under the Original Grant Agreement a grant not to exceed ten million United States Dollars (USD 10,000,000) (“Original Grant”) to assist in financing the Project.

WHEREAS the Project Implementing Entity and the Recipient have requested the World Bank, through letters dated December 31, 2018 and January 31, 2018, respectively, to provide additional financing for the Project in the amount of eight million United States Dollars (\$8,000,000) (“Additional Financing”) (both the Original Project and the Additional Financing hereinafter referred to as the “Grant”) and to restructure the Project.

WHEREAS the World Bank has agreed, on the basis, *inter alia*, of the foregoing to amend and restate the Original Grant Agreement upon the terms and conditions set forth in this Agreement; the Original Project Agreement will be amended and restated by a separate legal agreement to be entered into between the World Bank and the Project Implementing Entity.

NOW THEREFORE the World Bank and the Recipient hereby agree to amend and restate the Original Grant Agreement as follows:

Article I
Standard Conditions; Definitions

- 1.01. The Standard 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 Standard Conditions or in the Appendix this Agreement.

Article II
The Project

- 2.01. The Recipient declares its commitment to the objectives of the project described in Schedule 1 to this Agreement. To this end, the Recipient shall cause the Project to be carried out by the Project Implementing Entity in accordance with the provisions of Article II of the Standard Conditions, Schedule 2 to this Agreement and the Project Agreement.

Article III
The Grant

- 3.01. The World Bank agrees to extend to the Recipient a grant in an amount not to exceed eighteen million United States Dollars (\$18,000,000) ("Grant") to assist in financing the Project.
- 3.02. The Recipient may withdraw the proceeds of the Grant in accordance with Section III of Schedule 2 to this Agreement.
- 3.03. The Grant is funded out of the abovementioned trust fund for which the World Bank receives periodic contributions from the Donors to the trust fund. In accordance with Section 3.02 of the Standard Conditions, the World Bank's payment obligations in connection with this Agreement are limited to the amount of funds made available to it by the Donors under the abovementioned trust fund, and the Recipient's right to withdraw the Grant proceeds is subject to the availability of such funds.

Article IV
Effectiveness; Termination

- 4.01. This Agreement shall not become effective until evidence satisfactory to the World Bank has been furnished to the World Bank that the Project Agreement has been executed on behalf of the World Bank and the Project Implementing Entity.
- 4.02. Except as the Recipient and the World Bank shall otherwise agree, this Agreement and the Project Agreement shall enter into effect on the date upon which the World Bank dispatches to the Recipient notice of its acceptance of the evidence required pursuant to Section 4.01 of this Agreement ("Effective Date"). If, before the Effective Date, any event has occurred which would have entitled the World Bank to suspend the right of the Recipient to make withdrawals from the Grant Account if this Agreement had been effective, the World Bank may postpone the dispatch of the notice referred to in this Section until such event (or events) has (or have) ceased to exist.
- 4.03. *Termination for Failure to Become Effective.* This Agreement, the Project Agreement and all obligations of the parties under it shall terminate if it has not entered into effect by the date one hundred and twenty (120) days after the date of this Agreement, unless the World Bank, after consideration of the reasons for the delay, establishes a later date for the purpose of this Section. The World Bank shall promptly notify the Recipient of such later date.

Article V
Recipient's Representative; Addresses

- 5.01. The Recipient's Representative referred to in Section 7.02 of the Standard Conditions is its Secretary, Additional Secretary, Joint Secretary, or Deputy Secretary to the Economic Affairs Division.
- 5.02. For purposes of Section 7.01 of the Standard Conditions: (a) the Recipient's address is:

The Secretary to the Government of Pakistan
Ministry of Economic Affairs
Islamabad,
Islamic Republic of Pakistan;

(b) the Recipient's Electronic Address is:

Facsimile:	E-mail:
92-51-9104016	secretary@ead.gov.pk

- 5.03. For purposes of Section 7.01 of the Standard Conditions: (a) the World Bank's address is:

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

(b) the World Bank's Electronic Address is:

Telex:	Facsimile:	E-mail
248423 (MCI) or	1-202-477-6391	CMUPakistan@worldbank.org
64145 (MCI)		

AGREED as of the Signature Date.

ISLAMIC REPUBLIC OF PAKISTAN

By



Authorized Representative

Mr. Noor Ahmed

Name: _____

Secretary

Title: _____

15-Jul-2020

Date: _____

**INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT AND
INTERNATIONAL DEVELOPMENT
ASSOCIATION**

**acting as administrator of the KP/FATA/Balochistan Multi-
Donor Trust Fund**

By



Authorized Representative

Patchamuth Illangovan

Name: _____

Country Director

Title: _____

14-Jul-2020

Date: _____

SCHEDULE 1

Project Description

The objective of the Project is to strengthen the capacity for Sales Tax on Services collection and improve public investment management and accountability for public service delivery in Khyber Pakhtunkhwa.

The Project consists of the following parts:

Part 1 – Increasing capacity for revenue mobilization and public financial management.

Part 1.1 – Increasing capacity for Sales Tax on Services collection.

- (a) An assessment of the Project Implementing Entity's revenue potential followed by technical assistance for developing a revenue mobilization plan.
- (b) Technical assistance and training for STS administration, including (i) taxpayer registration and tracking of tax returns; (ii) revenue forecasting; (iii) human resource management in the KPRA; (iv) tax assessment techniques using business intelligence; (v) taxpayer facilitation; (vi) risk-based audit; and (vii) taxpayer awareness campaigns.
- (c) Increasing the number of STS-registered taxpayers filing tax returns (results-based financing).
- (d) Increasing KPRA's institutional performance through (i) supporting the institutional development of KPRA; (ii) enhancing KPRA's operational efficiency; (iii) increasing taxpayer awareness; and (iv) providing of information and communication technology equipment to support the tax audit processes.

Part 1.2 – Strengthening public financial management.

Supporting public financial management activities, including:

- (a) Strengthening the internal audit function;
- (b) Capacity development for budget execution in the public accounts committee of the Provincial Assembly;
- (c) Supporting public financial management reforms through the development of a legal framework for public financial management;
- (d) Monitoring the implementation of public financial management reforms related to selected PEFA Indicators;

- (e) Supporting the institutional capacity of KPPRA through (i) improving procurement processes; (ii) providing capacity building to procuring entities; (iii) Introduction of a diploma course in Procurement in collaboration with local institutions; and (iv) introducing ICT-based innovations to improve the procurement processes;
- (f) Strengthening FD's institutional capacity for debt management; and
- (g) Strengthening FD's institutional capacity for corporate governance of Public Sector Corporations; and
- (h) Implementation of the Public Financial Management Professional Accreditation Program

Part 2 – Improving public investment management and accountability in public services.

Part 2.1 – Strengthening public investment management.

- (a) Technical assistance and training for implementing the PIM action plan, including (i) processes and tools for preparing and appraising projects; (ii) periodic self-assessments of PIM systems to increase the productivity of investments; (iii) project implementation, including procurement, contract management, monitoring of progress, and verification as “fit for purpose”; (iv) asset management, including monitoring the condition of infrastructure assets and adequate operations and maintenance; and (v) institutional capacity for public private partnerships.
- (b) Increasing the geo-mapping and online publication of Public Investment Assets
- (c) Skills development for government officials, especially those from departments and other public sector entities that participate in project activities.

Part 2.2 – Improving accountability in public services.

Supporting procurement of equipment and provision of technical assistance and training in the following areas:

- (a) In partnership with research institutes, building Government capacity for using M&E to improve the management of public services, including by engaging citizens in monitoring service delivery.
- (b) Increasing the effectiveness of grievance redress mechanisms through (i) strengthening the functioning of the RTSC; (ii) carrying out citizen perception surveys on RTSC's service delivery; (iii) facilitating the RTSC's dialogue with civil society organizations engaged in raising awareness of and helping citizens,

especially women, to access the RTSC's grievance mechanism; and (iv) supporting the office of the KP Ombudsman.

- (c) Providing support to the RTIC through (i) training of public information officers; (ii) conducting public awareness campaigns on the Right to Information Act 2013; (iii) strengthening of RTIC Divisional Offices, including the RTIC Appeal Benches, in Bannu, Swat, and Abbottabad; and (iv) providing legal assistance to the RTIC.
- (d) Building capacity in the PMRU through (i) implementing the Good Governance Strategy and strengthening the PMRU e-Governance Cell.
- (e) Providing support to the ACE through (i) assessing the need of a potential update of the West Pakistan Anti-Corruption Establishment Ordinance 1961; (ii) strengthening the institutional capacity of ACE; (iii) strengthening of ACE offices in four Districts; (iv) providing training to relevant ACE staff on evidence gathering skills relating to anti-corruption cases; (v) providing workshops for key staff to enhance their capacities in forensic audits; (vi) conducting awareness campaigns in print and electronic media; and (vii) conducting software development and digitization of records.
- (f) Supporting the implementation of the KP Women Empowerment Policy 2017 and broader gender mainstreaming activities in KP and enhancing and building capacity of the P&DD and Line Departments for gender responsive policymaking through (i) integrating the KP Women Empowerment Policy 2017 into the Project Implementing Entity's policies and actions; (ii) building the capacity of the Line Departments on gender issues; (iii) supporting advocacy efforts for the KP Women Empowerment Policy 2017 and the Protection against Harassment of Women at the Workplace Act 2010; and (iv) providing technical assistance to the KP Ombudsperson for Protection of Women against Harassment.
- (g) Supporting the functioning of Secretariat of the District Judiciary through, *inter alia*, the provision of ICT equipment and technical assistance for the Data Analysis Wing.
- (h) Supporting P&DD in mitigating the effects of COVID-19 through procurement of equipment and provision of technical assistance to support: (i) connectivity solutions for government operation and service delivery; (ii) automation and digitization; and (iii) data security and integrity management.

Part 3 – Ensuring effective support for the coordination of governance reforms and operational management of the Project.

Supporting coordination and operational management of the Project through:

- (a) Providing technical assistance to OSU to support Project implementation, including procurement and contract management, financial management, internal audit, monitoring and evaluation, strategic communications, information and communication technology, and organizing and coordinating learning and gender promotion activities.
- (b) Providing technical assistance to the Foreign Aid Section to support (i) the development of an Aid Management Policy; and (ii) the development of an Aid Management Platform.

SCHEDULE 2

Project Execution

Section I. Institutional and Other Arrangements

On-Grant Arrangements.

1. To facilitate the carrying out of the Project, the Recipient shall make the proceeds of the Grant available to the Project Implementing Entity in accordance with the provisions of this Agreement and the Recipient's on-grant policies and budgetary procedures, and under the same terms and conditions as shall have been received from the World Bank.
2. Notwithstanding paragraph one (1) above, in the event that any of the provisions of this Agreement, including the instructions that the World Bank shall have specified by notice to the Recipient pursuant to Section III.A.1. of this Schedule, were inconsistent with the budgetary procedures of the Recipient, the provisions of this Agreement and related instructions shall govern.
3. The Recipient shall exercise its rights under the on-grant arrangements in such manner as to protect the interests of the Recipient and the World Bank and to accomplish the purposes of the Grant.

Section II. Project Monitoring, Reporting and Evaluation

A. Documents; Records

In addition, and without limitation to the obligations set forth in Section 2.05 of the Standard Conditions, the Recipient shall ensure that:

- (a) all records evidencing expenditures under the Project are retained for seven years and six months after the Closing Date, such records to include (i) this Agreement, all addenda thereof, and any amendments thereto; (ii) the Recipient's financial and narrative progress reports submitted to the World Bank; (iii) the Recipient's financial information related to the Grant, including audit reports, invoices and payroll records; (iv) the Recipient's implementation documentation (including sub-agreements, procurement files, contracts, purchase orders); and (v) the corresponding supporting evidence referred to in Section 3.04 of the Standard Conditions; and
- (b) the representatives of the World Bank are (i) able to examine all records referred to above in paragraph (a); (ii) provided all such information

concerning such records as they may from time to time reasonably request; and (iii) able to disclose such records and information to the Donor(s).

B. Project Reports

The Recipient shall monitor and evaluate the progress of the Project and prepare Project Reports in accordance with the provisions of Section 2.06(b) of the Standard Conditions and on the basis of the indicators acceptable to the World Bank. The Recipient shall ensure that each Project Report is furnished to the World Bank not later than forty-five (45) calendar days after the end of each calendar semester, covering the calendar semester.

Section III. Withdrawal of Grant Proceeds

A. General

1. The Recipient may withdraw the proceeds of the Grant in accordance with the provisions of: (a) Article III of the Standard Conditions; and (b) this Section; and (c) any such additional instructions as the World Bank may specify from time to time by notice to the Recipient, to finance Eligible Expenditures in the amount allocated and, if applicable, up to the percentage set forth against each Category of the following table.

Category	Amount of Grant Allocated (Expressed in USD)	% of expenditures to be financed (inclusive of taxes)
(1) Eligible Expenditures Program under Parts 1.1(d) and 2.1(d) of the Project	2,000,000	100% of the amounts spent and reported under the EEP for each Withdrawal
(2) Goods, non-consulting services, consultants' services, Incremental Operating Costs, Training and workshops for Parts 1.1(a), 1.1(b), 1.1(c) and 1.2 of the Project	852,000	100%
(3) Goods, non-consulting services, consultants' services, Incremental Operating Costs, Training and Workshops for Parts 2.1(a), 2.1(b), 2.1(c), 2.1(e) and 2.2 of the Project	1,121,000	100%

(4) Goods, non-consulting services, consultants' services, Incremental Operating Costs, Training and workshops for Part 3 of the Project	1,083,000	100%
(5) Goods, non-consulting services, consulting services, Incremental Operating Costs, Training and Workshops for the Project (except for Parts 1.1(d) and 2.1(d))	12,944,000	100%
TOTAL AMOUNT	18,000,000	

B. Withdrawal Conditions; Withdrawal Period

1. Notwithstanding the provisions of Part A of this Section no withdrawal shall be made:
 - (a) with respect to the amounts of the Additional Financing for payments made prior to the Signature Date;
 - (b) with respect to the amounts of the Original Grant for payments made prior to the date of the Original Grant Agreement, except that withdrawals up to an aggregate amount not to exceed USD2,000,000 equivalent may be made for payments made prior to such date but on or after January 1, 2016, for Eligible Expenditures under Categories 2, 3, and 4.
2. The Recipient shall only submit an application for withdrawal under Category (1) and withdrawal shall only be made for each such application if the Recipient has:
 - (a) complied with the additional instructions referred to in Section III.A.1(c) of this Schedule, including the submission to the World Bank of the applicable interim financial report detailing the expenditures incurred under the EEP up to the date of the applicable withdrawal application; and
 - (b) furnished evidence, in accordance with the verification protocol set out in the Project Operations Manual, of the Project Implementing Entity's satisfactory achievement of each DLR for the respective Fiscal Year and for which payment is requested as set forth in Schedule 3 to this Agreement.
3. Notwithstanding the foregoing, if the World Bank shall determine, based on the evidence furnished by the Recipient under paragraph 2 of this Part B, that any PBC has not been achieved by its PBC Achievement Date, the World Bank may in its sole discretion, by notice to the Recipient, (a) withhold in whole or in part the amount of the Grant allocated to such PBC; (b) disburse in whole or in part the

amount of the Grant allocated to such PBC at any later time if and when such PBC is completed in a manner satisfactory to the World Bank, to the extent that such completion remains feasible at a later time; (c) reallocate in whole or in part any withheld amount of the Grant allocated to such PBC; and/or (d) cancel in whole or in part any withheld amount of the Grant allocated to such PBC.

4. The Closing Date is June 30, 2022.

SCHEDULE 3

Performance Based Conditions

Results Areas:	PBCs with PBC Achievement Dates and PBC Values					
	Fiscal Year 2016/17	Fiscal Year 2017/18	Fiscal Year 2018/19	Fiscal Year 2019/20	Fiscal Year 2020/21	Fiscal Year 2021/22
I. Increase in number of STS taxpayer s that filed tax returns	The Project Implementing Entity has increased the number of STS taxpayers filing tax returns in the Fiscal Year by a cumulative percentage of 5% above Baseline. PBC Value: \$250,000 (not scalable)	The Project Implementing Entity has increased the number of STS taxpayers filing tax returns in the Fiscal Year by a cumulative percentage of 15% above Baseline. PBC Value: \$250,000 (not scalable)	The Project Implementing Entity has increased the number of STS taxpayers filing tax returns in the Fiscal Year by a cumulative percentage of 25% above Baseline. PBC Value: \$250,000 (not scalable)	The Project Implementing Entity has increased the number of STS taxpayers filing tax returns in the Fiscal Year by a cumulative percentage of 40% above Baseline. PBC Value: \$250,000 (not scalable)	The Project Implementing Entity has increased the number of STS taxpayers filing tax returns in the Fiscal Year by a cumulative percentage of 45% above Baseline. PBC Value: \$250,000 (not scalable)	The Project Implementing Entity has increased the number of STS taxpayers filing tax returns in the Fiscal Year by a cumulative percentage of 50% above Baseline. PBC Value: \$250,000 (not scalable)
II. Increase in Public Investment Assets that are geomapped and published online	The Project Implementing Entity has cumulatively geomapped and published online 20 Public Investment Assets PBC Value: \$250,000 (not scalable)	The Project Implementing Entity has cumulatively geomapped and published online 100 Public Investment Assets PBC Value: \$250,000 (not scalable)	The Project Implementing Entity has cumulatively geomapped and published online 250 Public Investment Assets PBC Value: \$250,000 (not scalable)	The Project Implementing Entity has cumulatively geomapped and published online 500 Public Investment Assets PBC Value: \$250,000 (not scalable)	The Project Implementing Entity has cumulatively geomapped and published online 550 Public Investment Assets PBC Value: \$250,000 (not scalable)	The Project Implementing Entity has cumulatively geomapped and published online 600 Public Investment Assets PBC Value: \$250,000 (not scalable)

APPENDIX

Definitions

1. “Aid Management Platform” means the Project Implementing Entity’s database containing data on characteristics of Foreign Project Assistance including, but not limited to, information on the amount, type, donor and beneficiary.
2. “Aid Management Policy” means the Project Implementing Entity’s processes and procedures for contracting and expending Foreign Project Assistance.
3. “Anti-Corruption Establishment” or the acronym “ACE” means the Project Implementing Entity’s agency established to investigate allegations of certain offices relating to corruption by public servants.
4. “Anti-Corruption Guidelines” means, for purposes of paragraph 2 of the Appendix to the Standard Conditions, the “Guidelines on Preventing and Combating Fraud and Corruption in Projects Financed by IBRD Loans and IDA Credits and Grants”, dated October 15, 2006, and revised in January 2011, and as of July 1, 2016.
5. “Category” means a category set forth in the table in Section III.A of Schedule 2 to this Agreement.
6. “COVID-19” means the coronavirus disease caused by the 2019 novel coronavirus (SARS-CoV-2).
7. “Data Analysis Wing” means the unit in the Secretariat of District Judiciary responsible for collecting and analyzing data on various performance metrics across the jurisdiction of the District judiciary.
8. “Director General of the Post-Crisis Needs Assessment Unit” means the Project Implementing Entity’s official designated to oversee implementation of the Governance Support Project and the Project.
9. “Disbursement-linked Result” or the acronym “DLR” means any of the results set out in the table in Schedule 3 of this Agreement; and “DLRs” means, collectively, all such DLRs.
10. “District(s)” mean the administrative units of the Project Implementing Entity which form part of a division and are presided over by the district commissioner.
11. “Donors” means collectively all donors that have contributed funds to the KP/FATA/Balochistan Multi-Donor Trust Fund at any time during the lifespan of this trust fund, as communicated to the Recipient and the Project Implementing Entity by the World Bank.

12. “Eligible Expenditures Program” and the abbreviation “EEP” mean the reasonable costs of salaries of civil servants and employees of the FD, P&DD, and KPRA identified under the object code and description: “A01: *Employee Related Expenses*” in the Recipient’s National FMIS.
13. “Finance Department” or the acronym “FD” means the Finance Department of the Project Implementing Entity.
14. “Financial Management Manual” means the Project Implementing Entity’s manual, developed for the Governance Support Project, but to be updated and adopted for the Project pursuant to Section I.A.2 of the Schedule to the Project Agreement in a manner satisfactory to the World Bank.
15. “Fiscal Year” or its acronym “FY” means a fiscal year of the Project Implementing Entity.
16. “Foreign Aid Section” means the section in the Project Implementing Entity’s P&DD responsible for overseeing implementation of projects funded through Foreign Project Assistance.
17. “Foreign Project Assistance” means financing received by the Recipient from multilateral and bilateral donor agencies as well as commercial sources for specific foreign-assisted development projects.
18. “Good Governance Strategy” means the Project Implementing Entity’s strategy for governance reforms formally launched on March 29, 2019.
19. “Governance Support Project” means the project dealing with governance reforms under Phase 1 of the MDTF.
20. “ICT” means information and communications technology.
21. “Incremental Operating Costs” means the reasonable costs of incremental expenditures required for the Project, including consumable material and supplies; office rental costs; utilities fees; insurance; communications, advertising and newspaper subscriptions; printing and stationary costs; vehicle and/or office equipment operation and maintenance; charges for opening and operating bank accounts required for the Project, travel, lodging and per diem for Project staff (excluding foreign tours of contractual staff and consultants), but does not include salaries or salary supplements of the Recipient’s or the Project Implementing Entity’s civil servants.
22. “Khyber Pakhtunkhwa” or the acronym “KP” mean the Recipient’s Province of Khyber Pakhtunkhwa and the Project Implementing Entity.

23. “Khyber Pakhtunkhwa Finance Act 2013” means the Project Implementing Entity’s legislation (Khyber Pakhtunkhwa Act No. XXI of 2013), which, *inter alia*, establishes the KPRA.
24. “Khyber Pakhtunkhwa Provincial Ombudsman Act 2010” means the Project Implementing Entity’s legislation (Khyber Pakhtunkhwa Act No. XIV of 2010) which provides for the establishment of the office of a provincial ombudsman in Khyber Pakhtunkhwa.
25. “Khyber Pakhtunkhwa Public Procurement Regulatory Authority” or the acronym “KPPRA” means Project Implementing Entity’s agency established under KPPRA Act 2012 to regulate public procurement in Khyber Pakhtunkhwa.
26. “Khyber Pakhtunkhwa Revenue Authority” or the acronym “KPRA” means the authority established in the territory of the Project Implementing Entity under the Khyber Pakhtunkhwa Finance Act 2013.
27. “KP Ombudsman” means the office established pursuant to the Khyber Pakhtunkhwa Provincial Ombudsman Act 2010.
28. “KP Ombudsperson for Protection of Women against Harassment” means KP’s official with the mandate to preside over cases that are reported under the Protection against Harassment of Women at the Workplace Act 2010.
29. “KPPRA Act 2012” means the Project Implementing Entity’s legislation (Khyber Pakhtunkhwa Act No. XI of 2012), which provides for a legal and regulatory framework for public procurement.
30. “KP Women Empowerment Policy 2017” means the government of Khyber Pakhtunkhwa’s policy launched on December 6, 2017 focusing on advancing inclusion, participation and empowerment of women.
31. “Line Departments” means the government departments and public sector entities of the Project Implementing Entity.
32. “Merged Areas” means the Tribal Districts of Khyber Pakhtunkhwa.
33. “Multi-Donor Trust Fund” or the acronym “MDTF” mean the multi-donor trust fund, approved by the Board of Executive Directors of the World Bank on January 15, 2010, administered by the World Bank, whose objective is to support the implementation of a program of reconstruction and development aimed at facilitating the recovery of affected regions in Khyber Pakhtunkhwa, the Federally Administered Tribal Areas, and Balochistan from the impact of the armed conflict, and reducing the potential for escalation or resumption, or any successor thereto.

34. “Operations Support Unit” or “OSU” means the unit established for the purposes set forth in Section I.A.1(b) of the Schedule to the Project Agreement.
35. “Original Grant Agreement” is the agreement entered into by the World Bank and the Recipient dated May 23, 2017 for the implementation of the Governance and Policy Project for Khyber Pakhtunkhwa.
36. “Original Project Agreement” is the agreement entered into by the World Bank and the Project Implementing Entity dated May 9, 2017 for the implementation of the Governance and Policy Project for Khyber Pakhtunkhwa.
37. “OSU Coordinator” means the Project Implementing Entity’s official responsible for overall management of the Project.
38. “PEFA Framework” means a public expenditure and financial accountability framework containing a methodology for assessing and reporting on the strengths and weaknesses of a PFM system using quantitative indicators to measure performance.
39. “PEFA Indicators” mean a set of measurement criteria contained in the PEFA Framework that is used for assessing the status and performance of public financial management systems.
40. “PBC Achievement Date” means, with regard to each PBC, the date by which the PBC is expected to be achieved, as set forth in the table in Schedule 3 to this Agreement.
41. “PBC Value” means the total amount of the Grant allocated to each PBC in the table in Schedule 3 to this Agreement, as such amount may be reallocated in whole or part by notice by the World Bank from time to time.
42. “Performance Based Condition” or the acronym “PBC” means any of the indicators set out in the table in Schedule 3 of this Agreement; and “PBCs” means, collectively, all such PBCs.
43. “Performance Management Reform Unit” or the acronym “PMRU” means the unit in the Project Implementing Entity’s chief secretary’s office which deals with setting targets and monitoring performance of various administrative units of the Project Implementing Entity.
44. “Peshawar High Court” means the highest judicial institution in Khyber Pakhtunkhwa.
45. “PIM” means public investment management.

46. “Planning and Development Department or “P&DD” means the Project Implementing Entity’s Planning and Development Department.
47. “PMRU e-Governance Cell” means a unit in the Performance Management Reform Unit that deals with matters related to the use of web-based internet applications and other information technologies.
48. “Post-Crisis Needs Assessment” or the acronym “PCNA” means the assessment formally issued on October 2010 by the Asian Development Bank, European Commission, United Nations, and the World Bank, which identifies the short- and medium-term social and economic needs of Khyber Pakhtunkhwa and the Federally Administered Tribal Areas.
49. “Procurement Regulations” means, for purposes of paragraph 20 of the Appendix to the Standard Conditions, the “World Bank Procurement Regulations for IPF Borrowers”, dated July 2016, revised November 2017 and August 2018.
50. “Project Agreement” means the agreement between the World Bank and the Project Implementing Entity relating to the implementation of all or part of the Project, as such agreement may be amended from time to time. “Project Agreement” includes the Standard Conditions as applied to the Project Agreement, and all appendices, schedules and agreements supplemental to the Project Agreement.
51. “Project Implementing Entity” means the Recipient’s Province of Khyber Pakhtunkhwa.
52. “Project Operations Manual” means the Project Implementing Entity’s manual to be prepared in a manner satisfactory to the World Bank pursuant to Section I.B. of the Schedule to the Project Agreement, setting forth the institutional arrangements for implementation of the Project, including (a) simplified procurement reporting arrangements, record-keeping protocols, and complaints redress mechanisms; (b) financial management procedures and protocols for the carrying out of internal audits, the preparation of financial statements, and withdrawal and accounting of Grant funds and settlement of payments, including PBCs/DLRs verification protocols; and (c) performance monitoring indicators for the Project.
53. “Project Steering Committee” or “PSC” means the entity responsible for providing oversight of the Project activities, referred to in Section I.A.1(a) of the Schedule to the Project Agreement.
54. “Protection against Harassment of Women at the Workplace Act 2010” means federal legislation (Act No. IV of 2010) to protect women against sexual harassment at the workplace.

55. “Provincial Assembly” means the governing provincial political body of Khyber Pakhtunkhwa, established under Article 106 of the Recipient’s Constitution.
56. “Public Financial Management” or the acronym “PFM” means the systems and processes governing the collection and use of public resources.
57. “Public Investment Assets” means assets as set out in the verification protocol of the Project Operations Manual.
58. “Public Sector Corporations” means the quasi-business entities in the Project Implementing Entity’s full or partial ownership.
59. “Right to Information Act 2013” means the Project Implementing Entity’s legislation (Khyber Pakhtunkhwa Act No. XXVII of 2013) to ensure transparency and access to information in Khyber Pakhtunkhwa.
60. “Right to Information Commission” or the acronym “RTIC” means an independent body established pursuant to the Right to Information Act 2013 to implement KP’s right to information policy.
61. “Right to Public Services Act 2014” means the Project Implementing Entity’s legislation (Khyber Pakhtunkhwa Act No. IV of 2014) to improve the public services delivery to the people of Khyber Pakhtunkhwa.
62. “Right to Public Services Commission” or the acronym “RTSC” means the Project Implementing Entity’s Right to Public Services Commission, established pursuant to the Project Implementing Entity’s Right to Public Services Act 2014.
63. “RTIC Appeal Benches” mean a quasi-judicial body established by the RTIC to receive and make decisions on complaints by citizens whose requests for information under the Right to Information Act 2013 have been denied or unduly delayed.
64. “RTIC Divisional Offices” means RTIC branches in the six administrative divisions of Khyber Pakhtunkhwa.
65. “Sales Tax on Services” or the acronym “STS” means the sales tax levied by Khyber Pakhtunkhwa on services.
66. “Secretariat of the District Judiciary” means the unit in the Peshawar High Court that exercises the administrative functions for the District judiciary.
67. “Signature Date” means the later of the two dates on which the Recipient and the World Bank signed this Agreement and such definition applies to all references to “the date of the Grant Agreement” in the Standard Conditions.

- 68. “Standard Conditions” means the “International Bank for Reconstruction and Development and International Development Association Standard Conditions for Grant Financing Made by the Bank out of Trust Funds”, dated February 25, 2019.
- 69. “Third-Party Monitoring Agent” or the acronym “TPMA” means the entity maintained by the Project Implementing Entity pursuant to Section I.C of the Schedule to the Project Agreement, responsible for, among other things, monitoring and reporting on the achievement of the PBCs.
- 70. “Training and Workshops” means the reasonable costs of trainings, workshops, and conferences conducted in and, subject to approval by the Association, outside of the territory of the Recipient, including the purchase and publication of material, rental of facilities for conducting training and workshops, facilitators fees, course fees, and travel and subsistence allowances for trainers and/or trainees.
- 71. “West Pakistan Anti-Corruption Establishment Ordinance 1961” means a legislation, enacted on September 8, 1961, to provide for the constitution of a special agency for the investigation of certain offences relating to corruption by public servants and for holding preliminary inquiries against such servants in West Pakistan.
- 72. “Withdrawal” means each withdrawal under Category (1) of the table set out in Section III of Schedule 2 to this Agreement.