
**Terms of Reference (ToRs) For
Hiring of Third Party Verification Agent (TPVA) for DLI Verification
Under
Khyber Pakhtunkhwa Revenue Mobilization & Public Resource Management Program**

A. Background

1. **The Government of Khyber Pakhtunkhwa's Public Financial Management (PFM) Reform Strategy for 2017-2020 provides the strategic underpinning for the GoKP's objective of strengthening the province's PFM system in the short to medium term.** The strategy underscores the priority of increasing the province's own-source revenues (OSR) and better allocation of existing resources to finance investments in infrastructure and public services, especially education, health, and water supply and sanitation.¹

2. **With World Bank financing KP Government has developed the KP Revenue Mobilization and Public Resource Management Program comprises two results areas: Efficient revenue mobilization and effective public resource management.**

- **Results Area 1: Efficient revenue mobilization.** This results area will support KP's revenue mobilization by (a) expanding its tax base by, among other things, increasing the number of taxpayers, reducing tax exemptions, and expanding the range of taxable economic activities and assets; (b) enhancing its institutional capacity for tax collection, including through compiling and analyzing taxpayer information and reducing tax evasion; (c) facilitating taxpayer voluntary compliance by automating and simplifying processes and by establishing one-stop taxpayer facilitation centers; and (d) mobilizing non-tax revenues, including by developing asset maps of Government-owned real estate (including valuation and geo-tagging data), and by optimizing the revenue potential of such real estate.
- **Results Area 2: Effective public resource management.** This results area will support: (a) consolidating Government cash balances in the TSA, minimizing the outflow of budget funds from the TSA into commercial banks, and introducing regular cash planning in spending entities; (b) strengthening accountability for local government expenditures by expanding the NFMIS to Tehsil Municipal Administrations (TMAs); (c) strengthening the performance orientation of departments and budgets, and supporting the introduction of OBB in service delivery sectors; (d) improving investment planning, appraisal, and Annual Development Plan (ADP) expenditure reporting; and (e) increasing transparency and capacity in the management of financial assets.

3. For the above, GoKP will select a third-party verification agent (TPVA) to conduct the semiannual verification of the results reported by the implementing entities. The TPVA will rely on a desk review of the documentation provided by the responsible institutions and will conduct field visits when physical verification of evidence is required. Additional details on the DLIs and the verification protocols are

¹ OSR is defined as all *tax and non-tax revenues collected by the provincial government itself*. This excludes net hydel profit and royalties on oil and gas, which are collected by the federal government and transferred to KP. It also excludes grants from the federal government over and above the province's share of the divisible pool of revenues.

available in Annex 2.

B. Objectives of the Consultancy:

4. Khyber Pakhtunkhwa Revenue Mobilization & Resource Management Program is seeking an experienced consulting firm or association of firms (in joint venture or sub-consultancy) in Pakistan to conduct third party verification of the DLI based results achieved under the Program.

5. The purpose of this assignment is to conduct an independent verification of progress on DLIs before any disbursement can be done for the project under the DLI category of expenditure. This consultancy aims to: (a) design evaluation methodology for verification of the progress made on DLIs by Government of Khyber Pakhtunkhwa and the World Bank. (b) Conduct the verification in a transparent and independent manner such that it provides the robust evidence for decision makers.

C. Scope of Consultancy

6. The primary task of this exercise will be to carry out transparent and impartial verification of the DLIs under various components of the project.

- (i) Assess progress against each DLI and verify results achieved.
- (ii) Submit draft verification reports to the Khyber Pakhtunkhwa Revenue Mobilization & Resource Management Program within fifteen working days after the verification of results, in accordance with the agreed template. Over the four years of implementation, at least eight bi annual reports and one summary report will need to be prepared and submitted. The reports should present, but not be limited to: summary of the process of DLI verification and assessment, procedures for quality control, the results of the DLI achievements, summaries of major discrepancies between target and actual achievements, short analysis of reasons for discrepancies and recommendations supporting management decisions for adjustments when and where needed.

- i. **DLI 1:** Registered taxpayers who filed GSTS in previous year
- ii. **DLI 2:** Database integration in tax administration
- iii. **DLI 3:** Cities with updated UIPT surveys, valuations and digitized records
- iv. **DL 4:** Cash management based on regular consolidation of cash balances and regular cash plans
- v. **DLI 5:** ADP funds allocated to unapproved projects (excluding Foreign Project Assistance)
- vi. **DLI 6:** TMAs using NFMIS to record transactions (cumulative)

6. Based on feedback and discussions with the Project, finalize the DLI verification report, and submit final verification report to the project. The Project will submit the report to the World Bank

D. Deliverables

7. The DLI verification process will be in accordance with the relevant section of the Operations Manual. The selected firm will submit the listed deliverables to the Project in a timely manner following the agreed-on timelines and work plan. The deliverables will be reviewed and approved by the Project for onwards submission to the World Bank for disbursements.

8. Though the TORs cover the entire verification period of four years, the below mentioned deliverables focus on the initial two rounds of verification exercises.

1st Round (2019-20):

1. Inception report with a detailed questionnaires and the templates for data processing and finalize in coordination with the project.
2. Summary note of the implementation of the verification exercise
3. Draft of 1st Verification Report
4. Final draft 1st Verification Report and complete data set after incorporation of feedback of Project.
5. Summary note of the implementation of the verification exercise
6. Draft of 2nd Verification Report
7. Final draft 2nd Verification Report and complete data set after incorporation of feedback of the Project.

2nd Round (2020-21)

1. Summary note of the implementation of the verification exercise
2. Draft of 1st Verification Report
3. Final draft 1st Verification Report and complete data set after incorporation of feedback of Project.
4. Summary note of the implementation of the verification exercise
5. Draft of 2nd Verification Report
6. Final draft 2nd Verification Report and complete data set after incorporation of feedback of the Project.

3rd Round (2021-22):

1. Summary note of the implementation of the verification exercise
2. Draft of 1st Verification Report
3. Final draft 1st Verification Report and complete data set after incorporation of feedback of Project.
4. Summary note of the implementation of the verification exercise
5. Draft of 2nd Verification Report
6. Final draft 2nd Verification Report and complete data set after incorporation of feedback of the Project.

4th Round (2022-23):

1. Summary note of the implementation of the verification exercise
2. Draft of 1st Verification Report
3. Final draft 1st Verification Report and complete data set after incorporation of feedback of Project.
4. Summary note of the implementation of the verification exercise
5. Draft of 2nd Verification Report
6. Final draft 2nd Verification Report and complete data set after incorporation of feedback of the Project.

5th Round (2023-24):

1. Summary note of the implementation of the verification exercise
2. Draft of 1st Verification Report
3. Final draft 1st Verification Report and complete data set after incorporation of feedback of Project.
4. Summary note of the implementation of the verification exercise
5. Draft of 2nd Verification Report
6. Final draft 2nd Verification Report and complete data set after incorporation of feedback of the Project.

E. Qualifications

9. 10 years' overall experience with five years in monitoring, assessing, validation/verification of indicators and evaluating public and/or private sector community development and facility based social service programs of scale. Experience in verifying and tracking DLLs for disbursements based on results achievements as relevant to the TORs will be preferred.
10. Documented experience of developing M&E indicators, tools and systems measuring target achievements of large scale community-based development and facility based social services programs.
11. Verifiable statistical and research, monitoring and evaluation expertise, as relevant to the TORs.
12. Documented experience of preparing quality reports which are concise and succinct to allow policy and technical decisions.

F. Team of Key Experts

13. Sr. M&E Expert/Team Leader

Qualification:

Master's Degree in Economics, Engineering, Statistics, Business Administration, Computer Sciences or other relevant field.

Experience:

At least Fifteen years of relevant experience in the field of monitoring and impact evaluation at the national and international level.

Solid understanding of monitoring and evaluation tools and mechanisms and its implementation in the field as evidenced in the relevant experience.

Very good understanding of government functioning and protocols as evidenced in the past experience of the consultant.

14. Tax Expert:

Qualification:

Master's Degree in Economics, Business Administration, Tax Administration or other relevant field.

Experience:

At least Ten years of relevant experience in tax administration, taxation and tax policy at national and international level.

Solid understanding of provincial and federal tax laws as evidenced in the relevant experience.

Very good understanding of government functioning and protocols as evidenced in the past experience of the consultant.

15. Database Expert:

Qualification:

Master's Degree in Computer Science/MIS or other relevant field.

Experience:

At least Ten years of relevant experience in Information Technology, data management database administration at national and international level preferably with renowned national and international organizations.

Solid understanding of database management and administration as evidenced in the relevant experience.

Very good understanding of government functioning and protocols as evidenced in the past experience of the consultant.

16. **GIS Expert:**

Qualification:

Master's Degree in Computer Science/MIS/GIS or other relevant field.

Experience:

At least Ten years of relevant experience in Information Technology, GIS mapping, geodatabase, assessment of geospatial data at national and international level preferably with renowned national and international organizations.

Solid understanding of GIS related tools as evidenced in the relevant experience.

Very good understanding of government functioning and protocols as evidenced in the past experience of the consultant.

17. **M&E Expert:**

Qualification:

Master's Degree in Economics, Engineering, Statistics, Business Administration, Computer Sciences or other relevant field.

Experience:

At least Ten years of relevant experience in the field of monitoring and impact evaluation at the national and international level.

Solid understanding of monitoring and evaluation tools and mechanisms and its implementation in the field as evidenced in the relevant experience.

Very good understanding of government functioning and protocols as evidenced in the past experience of the consultant.

18. **ICT Expert:**

Qualification:

Master's Degree in Computer Sciences Management Information Technology, ICT or degree in other relevant field. ICT related qualification/certifications will be accorded due weightage

Experience:

At least Ten years of relevant experience in the IT field and big data management at the national and international level.

Solid understanding of IT related tools and its implementation in the field as evidenced in the relevant experience.

Very good understanding of government functioning and protocols as evidenced in the past experience of the consultant.

19. **Local Governance Expert:**

Qualification:

Master's Degree in Economics, Public Administration, Business Administration, Social Sciences or other relevant field.

Experience:

At least Ten years of relevant experience in local governance at the national and international level.

Solid understanding of local governance rules/regulations and its implementation in the field as evidenced in the relevant experience.

Very good understanding of government functioning and protocols as evidenced in the past experience of the consultant.

G. Selection Process:

Firm will be selected in accordance with the Least Cost-based Selection (LCS) method set out in the World Bank's [Procurement Regulations for IPF Borrowers](#) July 2016 Revised November 2017 and August 2018

ANNEX 1. RESULTS FRAMEWORK MATRIX

PDO Indicators by Objectives / Outcomes	DLI	CRI	Unit of Measure	Baseline	Intermediate Targets (IT)				End Target
					Y1	Y2	Y3	Y4	
Increase in KP Own Source Revenue									
Increase in own source tax revenues (amount in PKR billion)			Number	14.30	15.70	17.20	18.60	20.00	21.50
Improved Cash Management									
Cash deposits held by Government in commercial banks			Text	PKR 185.868 billion of government cash deposits in the commercial banks (status: Jan. 2018)	Reduction by 10% in government cash deposits in the commercial banks	Reduction by 20% in government cash deposits in the commercial banks	Reduction by 30% in government cash deposits in the commercial banks	Reduction by 40% in government cash deposits in the commercial banks	Reduction by 60% in government cash deposits in the commercial banks. End Target: PKR 74.347 billion of government cash deposit commercial banks
Improved Management of Public Investments									
Share of ADP funds spent on capital investment			Text	47%	Public investment defined and ADP guidelines revised to focus on capital expenditures	>50%	>55%	>60%	>65%

Intermediate Results Indicators by Results Areas	DLI	CRI	Unit of Measure	Baseline	Intermediate Targets (IT)				End Target
					Y1	Y2	Y3	Y4	
Efficient Revenue Mobilization									
Registered taxpayers who filed GSTS in previous year	DLI 1		Percentage	51.00	55.00	60.00	65.00	70.00	75.00
Database integration in tax administration	DLI 2		Text	No linkages among KP tax authorities' databases or with third-parties	Plan for data systems integration approved by GoKP	KPRA linkages with 3 withholding agents' databases in place and operational	Readiness of BoR and ETNCD databases for linkage with KPRA confirmed	Shared data warehouse for the KP Tax Authorities has been established and is functional	KP tax authorities have access to shared data with links to third parties (accessible with taxpayer CNIC/Name)
Business processes for tax administration simplified and harmonized			Text	No harmonized processes	1:taxpayer registration process using CNIC/STN	2: payments process	3:monitoring of arrears	4:taxpayer appeals processes	5: litigation process
Taxpayer facilitation centers functional			Text	None	Joint plan for establishment of TFCs (services structure locations costing)	Model TFC established	6 TFCs	9 TFCs	12 TFCs
Cities with updated UIPT surveys, valuations and digitized records	DLI 3		Text	No recent survey conducted; partial digitization of tax records in some cities.	2.00	2 additional cities	2 additional cities	2 additional cities	2 additional cities

Revenue generation from public property			Text	No asset maps of government-owned real estate.	5 asset maps prepared	10 asset maps prepared	Act on establishment of holding company	Board of members approved	Performance framework and targets for the company set in MoU with GoKP.
Effective public resource management									
Cash management based on regular consolidation of cash balances and regular cash plans	DLI 4		Text	Cash management not based on regular consolidation of cash balances and regular cash plans	Cash management policy covering, <i>inter alia</i> , the consolidation in TSA accounts and non-TSA accounts, cash forecasting and monitoring has been notified by FD and adopted by GoKP	Monthly consolidation of cash balances by all Government Departments throughout Year 2	Fortnightly consolidation of cash balances by all Government Departments throughout Year 3	Weekly consolidation of cash balances by all Government Departments throughout Year 4; Four Government Departments (Communication and Works Elementary and Secondary Education Health Irrigation) have prepared quarterly cash plans and submitted to FD throughout Year 4	Monthly cash plans by four Government Departments (Communication and Works Elementary and Secondary Education Health Irrigation) have prepared quarterly cash plans and submitted to FD throughout Year 5
Sectors with public investment plans (cumulative)			Number	0.00	1.00	3.00	5.00	7.00	9.00
ADP funds allocated to unapproved projects (excluding Foreign Project Assistance)	DLI 5		Text	Allocated funds to unapproved projects are 49% of total ADP (excluding Foreign project assistance) in FY18	DLR 5.1: Allocated funds to Unapproved Projects have not exceeded 45% of total ADP (excluding Foreign Project Assistance) in FY20	DLR 5.2: Allocated funds to Unapproved Projects have not exceeded 40% of total ADP (excluding Foreign Project Assistance)	DLR 5.3: Allocated funds to Unapproved Projects have not exceeded 35% of total ADP (excluding	DLR 5.4: Allocated funds to Unapproved Projects have not exceeded 25% of total ADP (excluding Foreign Project Assistance) in FY23	DLR 5.5: Allocated funds to Unapproved Projects have not exceeded 20% of total ADP (excluding Foreign Project Assistance)

						in FY21	Foreign Project Assistance) in FY22		in FY24
E-Government functionality strengthened in selected government departments			Text	Limited and uneven functionality of e-Government	Administrative processes of three departments are reviewed (as is and to be) and definition of reengineered functional and technical requirements and specifications finalized	Administrative processes of remaining four departments are reviewed (as is and to be) and definition of reengineered functional and technical requirements and specifications finalized	Change Management processes completed in participating departments	Implementation of e-archiving/indexing of government records in three out of the following seven departments: FD; PDD Home Health Local Government; Establishment and Education.	Implementation of e-archiving/indexing of government records in 7 targeted departments
TMA's using NFMIS to record transactions	DLI 6		Text	No NFMIS decentralization plan.	NFMIS Access System developed tested and functional	10 TMA's have used the NFMIS to record payments throughout Year 2	10 TMA's under DLR 6.2 and 10 additional TMA's have used the NFMIS to record payments throughout Year 3	20 TMA's under DLR 6.2 and 6.3 and 10 additional TMA's have used the NFMIS to record payments throughout Year 4	30 TMA's under DLR 6.2, 6.3 and 6.4 and 20 additional TMA's have used the NFMIS to record payments throughout Year 5
OBB departments with measurable gender KPIs, reporting number of females reached by their services			Percentage	0.00	6.00	12.00	18.00	24.00	32.00
Improved management of dedicated funds			Text	No reports currently published; No	Institutional framework (including rules & regulations)	Funds management policy approved (risk tolerance	Annual report on assets investment	Annual consolidated report for all KP Funds published	Annual consolidated report for all KP Funds

				estimate of pension liabilities	for HDF, GPIF and PF notified;Actuarial study for pension liabilities completed	maturities portfolio diversification investment income targets financing of PF)	portfolio & liabilities of HDF GPIF and PF published		published
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Monitoring & Evaluation Plan: PDO Indicators

Indicator Name	Increase in own source tax revenues (amount in PKR billion)
Frequency	Annual
Data Source	KP Finance Accounts/Unaudited Financial Statements/Budget Execution Reports
Methodology for Data Collection	Review of KP Finance Accounts/Unaudited Financial Statements/Budget Execution Reports
Responsibility for Data Collection	FD, KPRA, ETNCD, BoR
Indicator Name	Cash deposits held by Government in commercial banks
Frequency	Annual
Data Source	FD reports, SBP statements/reports
Methodology for Data Collection	Reports from FD detailing reconciliation of accounts by relevant departments
Responsibility for Data Collection	FD
Indicator Name	Share of ADP funds spent on capital investment
Frequency	Annual
Data Source	NFMIS report on ADP spending by economic classification
Methodology for Data Collection	Review of NFMIS report on ADP spending by economic classification
Responsibility for Data Collection	P&DD

Monitoring & Evaluation Plan: Intermediate Results Indicators

Indicator Name	Registered taxpayers who filed GSTS in previous year
Frequency	Annual
Data Source	KPRA (PRAL) database
Methodology for Data Collection	review of PRAL reports
Responsibility for Data Collection	KPRA, OSU
Indicator Name	Database integration in tax administration
Frequency	Annual
Data Source	FD, KPRA, ETNCD, BoR, ST&IT, KPITB
Methodology for Data Collection	Querying of linked database using taxpayer CNIC/Name)
Responsibility for Data Collection	KPITB, OSU
Indicator Name	Business processes for tax administration simplified and harmonized
Frequency	Annual
Data Source	KPRA, ETNCD, BoR, ST&IT, KPITB
Methodology for Data Collection	Review of system generated reports showing harmonized processes
Responsibility for Data Collection	KPITB, OSU
Indicator Name	Taxpayer facilitation centers functional
Frequency	Annual
Data Source	KPRA
Methodology for Data Collection	Review of status reports from KPRA
Responsibility for Data Collection	KPRA, ETNCD, BoR

Indicator Name	Cities with updated UIPT surveys, valuations and digitized records
Frequency	Annual
Data Source	ETNCD
Methodology for Data Collection	Review of GIS generated reports of selected cities
Responsibility for Data Collection	ETNCD, OSU
Indicator Name	Revenue generation from public property
Frequency	Annual
Data Source	ETNCD, BoR, HUD
Methodology for Data Collection	Review of property valuation reports
Responsibility for Data Collection	FD, OSU
Indicator Name	Cash management based on regular consolidation of cash balances and cash plans
Frequency	Annual
Data Source	SBP reports, FD reports, Cash plans by four departments
Methodology for Data Collection	Review of consolidation reports
Responsibility for Data Collection	FD, OSU
Indicator Name	Sectors with public investment plans (cumulative)
Frequency	Annual
Data Source	P&DD
Methodology for Data Collection	Survey of sectoral departments
Responsibility for Data Collection	P&DD, OSU

Indicator Name	ADP funds allocated to unapproved projects (excluding foreign project assistance)
Frequency	Annual
Data Source	ADP as part of the budget books
Methodology for Data Collection	Review of ADP
Responsibility for Data Collection	P&DD, OSU
Indicator Name	E-Government functionality strengthened in selected government departments
Frequency	Annual
Data Source	KPITB
Methodology for Data Collection	Progress reports from participating agencies
Responsibility for Data Collection	FD
Indicator Name	TMAAs using NFMIS to record transactions
Frequency	Annual
Data Source	NFMIS, LG reports, SBP reports
Methodology for Data Collection	Review of NFMIS, LG reports, SBP reports
Responsibility for Data Collection	FD, LGD, OSU
Indicator Name	OBB departments with measurable gender KPIs, reporting number of females reached by their services
Frequency	Annual
Data Source	FD, Performance Management and Reforms Unit dashboard
Methodology for Data Collection	Review of reports from the Performance Management and Reforms Unit dashboard
Responsibility for Data Collection	FD, OSU

Indicator Name	Improved management of dedicated funds
Frequency	Annual
Data Source	Annual Funds Reports, FD website
Methodology for Data Collection	Review of Annual Reports of the respective funds
Responsibility for Data Collection	FD

ANNEX 2. Disbursement Linked Indicators, Disbursement Arrangements and Verification Protocols

Disbursement Linked Indicators Matrix				
DLI 1	Registered taxpayers who filed GSTS in previous year			
Type of DLI	Scalability	Unit of Measure	Total Allocated Amount (USD)	As % of Total Financing Amount
Intermediate Outcome	Yes	Percentage	25,000,000.00	11.43
Period	Value		Allocated Amount (USD)	Formula
Baseline	51.00			
Prior Results	0.00		0.00	
FY19/20 (yr1)	55.00		5,000,000.00	Not scalable.
FY20/21 (yr2)	60.00		5,000,000.00	Scalable. US\$ 1,000,000 (SDR equivalent) for each percentage point increase over the target set in Year 1, up to the Allocated Amount set for Year 2
FY21/22 (yr3)	65.00		5,000,000.00	Scalable. US\$ 1,000,000 (SDR equivalent) for each percentage point increase over the target set in Year 2, up to the Allocated Amount set for Year 3

FY22/23 (yr4)	70.00		5,000,000.00	Scalable. US\$ 1,000,000 (SDR equivalent) for each percentage point increase over the target set in Year 3, up to the Allocated Amount set for Year 4
FY23/24 (yr5)	75.00		5,000,000.00	Scalable. US\$ 1,000,000 (SDR equivalent) for each percentage point increase over the target set in Year 4, up to the Allocated Amount set for Year 5
DLI 2	Database integration in tax administration			
Type of DLI	Scalability	Unit of Measure	Total Allocated Amount (USD)	As % of Total Financing Amount
Intermediate Outcome	No	Text	10,000,000.00	5.26
Period	Value		Allocated Amount (USD)	Formula
Baseline	No linkages among KP tax authorities' databases or with third parties; Data Warehouse Pilot in the Department of Science and Technology and Information and Technology (ST&IT)			
Prior Results	DLR 2.0: An MOU setting forth clear responsibilities for information exchange duly signed between FBR and KPRA		4,000,000.00	
FY19/20 (yr1)	DLR 2.1: Plan for data systems integration approved by GoKP		1,600,000.00	Not scalable

FY20/21 (yr2)	DLR 2.2: KPRA linkages with 3 withholding agents' databases in place and operational		1,400,000.00	Not scalable.
FY21/22 (yr3)	DLR 2.3 Readiness of BOR and ETNCD databases for linkage with KPRA confirmed		800,000.00	Not scalable
FY22/23 (yr4)	DLR 2.4: Shared data warehouse for the KP Tax Authorities has been established and is functional		1,400,000.00	Not scalable
FY23/24 (yr5)	DLR 2.5: KP Tax Authorities have access to shared data with links to third parties (accessible with taxpayer CNIC/Name)		800,000.00	Not scalable
DLI 3	Cities with updated UIPT surveys, valuations and digitized records			
Type of DLI	Scalability	Unit of Measure	Total Allocated Amount (USD)	As % of Total Financing Amount
Intermediate Outcome	Yes	Text	15,000,000.00	6.86
Period	Value		Allocated Amount (USD)	Formula
Baseline	No recent survey conducted; partial digitization of tax records in some cities.			
Prior Results	0.00		0.00	
FY19/20 (yr1)	2 cities		3,000,000.00	Scalable. US\$ 1.5 million per city up to US\$ 3,000,000
FY20/21 (yr2)	2 additional cities		3,000,000.00	Scalable. US\$ 1.5 million per additional city up to US\$ 3,000,000

FY21/22 (yr3)	2 additional cities		3,000,000.00	Scalable. US\$ 1.5 million per additional city up to US\$ 3,000,000
FY22/23 (yr4)	2 additional cities		3,000,000.00	Scalable. US\$ 1.5 million per additional city up to US\$ 3,000,000
FY23/24 (yr5)	2 additional cities		3,000,000.00	Scalable. US\$ 1.5 million per additional city up to US\$ 3,000,000
DLI 4	Cash management based on regular consolidation of cash balances and regular cash plans			
Type of DLI	Scalability	Unit of Measure	Total Allocated Amount (USD)	As % of Total Financing Amount
Intermediate Outcome	No	Text	20,000,000.00	10.23
Period	Value		Allocated Amount (USD)	Formula
Baseline	Cash management not based on regular consolidation of cash balances and regular cash plans			
Prior Results	DLR 4.0: Notification has been issued by FD to all government departments requesting reconciliation of government cash deposits in commercial banks with the bank statements available with FD.		4,000,000.00	
FY19/20 (yr1)	DLR 4.1: Cash management policy covering, <i>inter alia</i> , the consolidation in TSA accounts and non-TSA accounts, cash forecasting and monitoring has been notified by FD and adopted by GoKP.		1,300,000.00	Not scalable
FY20/21 (yr2)	DLR 4.2: Monthly consolidation of cash balances by all government departments throughout Year 2.		5,100,000.00	Not scalable

FY21/22 (yr3)	DLR 4.3: Fortnightly consolidation of cash balances by all government departments throughout Year 3.		4,800,000.00	Not scalable
FY22/23 (yr4)	DLR 4.4: Weekly consolidation of cash balances by all government departments throughout Year 4. DLR 4.5: Four government departments (Communication and Works Elementary and Secondary Education Health Irrigation) have prepared quarterly cash plans and submitted to the FD throughout Year 4		2,700,000.00	Not scalable
FY23/24 (yr5)	DLR 4.6: Four government departments (Communication and Works Elementary and Secondary Education Health Irrigation) have prepared monthly cash plans and submitted them to FD throughout Year 5		2,100,000.00	Not scalable
DLI 5	ADP funds allocated to unapproved projects (excluding Foreign Project Assistance)			
Type of DLI	Scalability	Unit of Measure	Total Allocated Amount (USD)	As % of Total Financing Amount
Intermediate Outcome	No	Text	10,000,000.00	4.86
Period	Value		Allocated Amount (USD)	Formula
Baseline	Allocated funds to unapproved projects are 49 percent of total ADP (excluding Foreign Project Assistance) in FY18			
Prior Results	0.00		0.00	
FY19/20 (yr1)	DLR 5.1: Allocated funds to unapproved projects have not exceeded 45% of total ADP (excluding foreign project assistance) in FY20		2,000,000.00	Not scalable

FY20/21 (yr2)	DLR 5.2: Allocated funds to unapproved projects have not exceeded 40% of total ADP (excluding foreign project assistance) in FY21		2,500,000.00	Not scalable
FY21/22 (yr3)	DLR 5.3: Allocated funds to unapproved projects have not exceeded 35% of total ADP (excluding foreign project assistance) in FY22		2,500,000.00	Not scalable
FY22/23 (yr4)	DLR 5.4: Allocated funds to unapproved projects have not exceeded 25% of total ADP (excluding foreign project assistance) in FY23		1,500,000.00	Not scalable
FY23/24 (yr5)	DLR 5.5: Allocated funds to unapproved projects have not exceeded 20% of total ADP (excluding foreign project assistance) in FY24		1,500,000.00	Not scalable
DLI 6	TMAs using NFMIS to record transactions (cumulative)			
Type of DLI	Scalability	Unit of Measure	Total Allocated Amount (USD)	As % of Total Financing Amount
Intermediate Outcome	Yes	Text	20,000,000.00	8.0
Period	Value		Allocated Amount (USD)	Formula
Baseline	No NFMIS decentralization plan			
Prior Results	DLR 6.0: NFMIS Decentralization Plan approved by GoKP		4,000,000.00	
FY19/20 (yr1)	DLR 6.1: NFMIS Access System developed, tested and functional		3,000,000.00	Not scalable.
FY20/21 (yr2)	DLR 6.2: 10 TMAs have used the NFMIS to record payments throughout Year 2		3,000,000.00	Not scalable

FY21/22 (yr3)	DLR 6.3: 10 TMAs under DLR 6.2 and 10 additional TMAs have used the NFMIS to record payments throughout Year 3	3,000,000.00	Scalable: \$300,000 per additional TMA up to \$3,000,000
FY22/23 (yr4)	DLR 6.4: 20 TMAs under DLRs 6.2 and 6.3 and 10 additional TMAs have used the NFMIS to record payments throughout Year 4	3,000,000.00	Scalable: \$300,000 per additional TMA up to \$3,000,000
FY23/24 (yr5)	DLR 6.5: 30 TMAs under DLR 6.2, 6.3 and 6.4 and 20 additional TMAs have used the NFMIS to record payments throughout Year 5	4,000,000.00	Scalable: \$200,000 per additional TMA up to \$4,000,000

Verification Protocol Table: Disbursement Linked Indicators

DLI 1	Registered taxpayers who filed GSTS in previous year
Description	Percentage of taxpayers registered with KPRA who filed their returns in the previous fiscal year.
Data source/ agency	KPRA (PRAL) database/KPRA
Verification Entity	TPVA
Procedure	Review of PRAL data on number of registered taxpayers and filers for the year and of sample of anonymized taxpayer data to ascertain filing compliance rate among registered taxpayers
DLI 2	Database integration in tax administration
Description	Automated exchange of taxpayer data (by CNIC/STN) through shared Data Warehouse for the KPRA, ETNCD, and BoR is in place; and KPRA has automated linkages (data exchange) with at least five third parties (e.g. FBR, NADRA, withholding agents such as commercial banks, telecom and utility companies)
Data source/ agency	KPRA, ETNCD, BoR databases; shared Data Warehouse/ KPRA, ETNCD, BoR
Verification Entity	TPVA
Procedure	Inspection and testing of automated data exchange in shared Data Warehouse of KPRA, ETNCD, and BoR (when established)
DLI 3	Cities with updated UIPT surveys, valuations and digitized records
Description	Urban Immovable Property Tax records updated through surveys and digitized in 10 cities; UIPT surveys include GIS mapping of properties and updated valuations with reference to market benchmarks
Data source/ agency	UIPT database/ETNCD
Verification Entity	TPVA
Procedure	Review of random sample of digitized UIPT records of targeted cities for completeness of data (property GIS location, size

	and usage, updated valuation) and functioning of MIS
DLI 4	Cash management based on regular consolidation of cash balances and regular cash plans
Description	Cash Management Policy notified by FD; GoKP cash balances (Accounts 1, 2, 3, 4, 5; zero-balance accounts for revenue receipts) consolidated in the TSA through the SBP (except balances of public accounts, endowment funds, and monies parked in courts as a result of disputes);Cash plans prepared by four provincial government departments (Communication and Works, Education, Health, Irrigation) and submitted to the FD
Data source/ agency	NFMIS, FD
Verification Entity	TPVA
Procedure	Review of sample of monthly, fortnightly and weekly consolidated balance statements (reports generated by the SBP); review of statements of zero-balance accounts; review of quarterly reports on government deposits in commercial banks available with FD; review of submitted cash plans of four provincial government departments (Communication and Works, Education, Health, Irrigation)
DLI 5	ADP funds allocated to unapproved projects (excluding foreign project assistance)
Description	Percentage of ADP funds allocated to new projects that have not been approved by the competent authority as prescribed by the rule and regulations governing the development budget except projects awaiting approval by ECNEC
Data source/ agency	ADP approved under the Annual Appropriations Act, project approval documentation/P&DD
Verification Entity	TPVA
Procedure	Review evidence of approval of new projects added to the ADP; compare percentage of total ADP funds allocated to new unapproved projects with that of the previous fiscal year based on the ADPs included in the Annual Appropriations Acts
DLI 6	TMA's using NFMIS to record transactions (cumulative)
Description	Access system developed and tested: (i) Any authorized user of NFMIS through an authentication method (user name and password) can enter data into the system, and (ii) a test report and system training is available with end user approval. Number of TMA's whose transactions are recorded in in the NFMIS; recorded transactions should include all payments

	made according to the object code of the Chart of Accounts/budget classification.
Data source/ agency	NFMIS Account 5/FD, AG
Verification Entity	TPVA
Procedure	System generated reports of expenditures according to the object code of the Chart of Accounts/budget classification of the TMAs.