

World Bank loans Pakistan Rs144 bn

ISLAMABAD: Pakistan and the World Bank on Tuesday signed three loans of Rs144 billion (\$918 million) for raising revenue, Higher Education Commission (HEC) and Khyber Pakhtunkhwa's revenue mobilization programme.

Adviser to the Prime Minister on Finance, Revenue and Economic Affairs Dr. Abdul Hafeez Shaikh witnessed the signing ceremony.

(i) Pakistan Raises Revenue Program worth US\$400.0 million: The development objective of the programme is to contribute to a sustainable increase in domestic revenue by broadening the tax base and facilitating compliance. The programme's targeted results include: (i) increasing Pakistan's tax to GDP ratio to 17 percent; (ii) increasing the number of active taxpayers to 3.5 million; (iii) reducing the compliance burden of paying taxes; and (iv) improving the efficiency of customs controls.

(ii) Higher Education Development in Pakistan worth US\$400 million: The development objective of the program is to support research excellence in strategic sectors of the economy, improve teaching and learning and strengthening governance in the higher education sector. The project will finance the following components: (i) nurturing academic excellence in strategic sectors; (ii) supporting decentralized higher education institutes for improved teaching and learning; (iii) equipping students and higher education institutions with modern technology; (iv) higher education management information system and data drive services; and (v) capacity building, project management and monitoring & evaluation.

(iii) Khyber Pakhtunkhwa Revenue Mobilization and Resource Management Program worth US\$118.0 million: The development objective of the programme is to increase collection of KP's own-source revenues and improve the management of public resources. This objective is to be achieved through (a) efficient revenue mobilization and (b) effective public resource management and (c) capacity building to enhance e-government functionality.

The programme will help the Khyber Pakhtunkhwa government to mobilize own source revenue to address the constraint of limited fiscal space for investment and public service provision and efficient and strategic use of the province's financial resources.

Secretary Economic Affairs Division Noor Ahmed signed the financing agreements on behalf of Government of Pakistan while the representatives of Higher Education Commission (HEC) and Government of Khyber Pakhtunkhwa signed their respective project agreements.

World Bank Country Director Patchamuthu Illangovan, signed the agreements on behalf of the bank. Later, Mr. Illangovan held a meeting with Dr Shaikh. The adviser thanked the World Bank team for extending their continuous support to the Government of Pakistan in its efforts to achieve sustainable economic development. He appreciated the World Bank's relationship with Pakistan and desired that the agencies put their best efforts to implement their respective programmes.

Our Correspondent