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KHYBER PAKHTUNKHWA
INFORMATION
TECHNOLOGY
BOARD

KHYBER PAKHTUNKHWA DIGITAL PAYMENTS AND FINTECH STRATEGY 2025-30

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Digital
Payment Platform
Khyber Pakhtunkhwa

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Digital
Khyber Pakhtunkhwa



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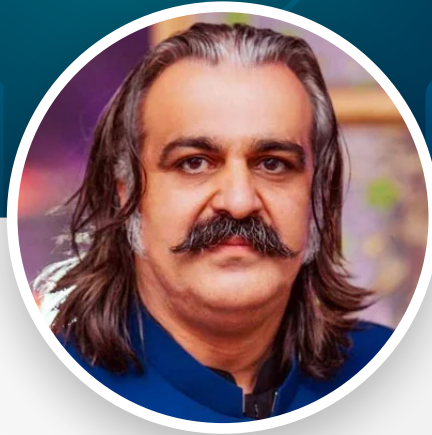
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Digital

Khyber Pakhtunkhwa





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“Cashless Khyber Pakhtunkhwa is not just a slogan, it is our pledge to empower every citizen with the tools of the digital age. By replacing cash with secure, seamless, and accountable transactions, we are unlocking doors to financial inclusion, bridging divides between cities and villages, and building a future where trust and transparency fuel progress. From motor vehicle service to social welfare, every digitized service is a step toward a province where opportunity flows as freely as innovation. Together, let us embrace this transformation, for a cashless KP is not just efficient, it is equitable, resilient, and ready to lead Pakistan’s leap into the digital frontier.”

”

Chief Minister, Khyber Pakhtunkhwa
Under the Vision of Cashless Khyber Pakhtunkhwa



“

“The Digital Payments and FinTech Strategy marks a pivotal step toward a more transparent, inclusive, and efficient Khyber Pakhtunkhwa. By embedding financial literacy at the heart of this transformation, we empower our citizens to engage confidently in the digital economy. With enhanced revenue mobilization and real-time fiscal transparency, we are strengthening public trust and ensuring that every rupee is accounted for. This is not just a digital shift, it is a governance revolution that will drive equitable growth and lasting progress across our province.”

”

Dr. Shafqat Ayaz

**Special Assistant to Chief Minister, Khyber Pakhtunkhwa
For Science, Technology & Information Technology**

1. Executive Summary

The Government of Khyber Pakhtunkhwa is embarking on a journey towards digital transformation with the implementation of the Digital Payments & FinTech Strategy. This initiative significantly enriches the Khyber Pakhtunkhwa Good Governance Strategy 2019 and State Bank of Pakistan's National Financial Inclusion Strategy (NFIS) 2024-28 by enhancing fiscal transparency, openness, and accountability in government processes and public service delivery. By leveraging the pillars of ideas, innovation, and technology, the strategy aims to seamlessly integrate FinTech solutions into the government financial ecosystem, modernizing payment and improving revenue collection systems. This modernization will foster greater efficiency, security, and reliability, setting a benchmark of digital inclusion, fiscal transparency and public service delivery.

The vision is to establish a secure, efficient, and inclusive digital payment ecosystem that enhances transparency, boosts financial inclusion, and drives economic development in Khyber Pakhtunkhwa. The strategy includes implementing a **"No Cash Collection Policy"** to eliminate manual cash transactions, ensuring all payments are conducted digitally. This shift will enhance traceability, transparency, and streamline government financial operations. The core objective is to develop a comprehensive digital payment framework that integrates seamlessly with existing systems, promoting widespread adoption, and ensuring accountability in government financial transactions, transitioning all manual processes to digital platforms within five years.

The strategy emphasizes building a reliable and inclusive infrastructure by expanding access points for digital payments and ensuring robust connectivity. It also focuses on promoting the adoption of digital payments through government-led initiatives, incentives, and public awareness programs. Regulatory oversight is a cornerstone of the strategy, with commitments to building regulatory capacity, and enforcing stringent cybersecurity protocols to safeguard digital payment systems.

A phased implementation plan outlines specific actions, timelines, and resource allocations to ensure the strategy's successful rollout. An oversight committee, comprising representatives from key government departments, financial institutions, and technology providers, will monitor progress and ensure effective coordination. Real-time dashboards will provide transparency, enabling government to track the impact and adoption of digital payment systems, offering greater traceability and oversight of the province's fiscal space. The modernization of payment systems with the introduction of FinTech, AI, and cloud-based technology will enhance productivity, security, and reliability.

This Digital Payment & FinTech Strategy is more than a technological upgrade; it represents a transformative step towards a transparent, efficient, and inclusive financial landscape. The strategy will provide citizens with convenient options for all types of payments to the government through public service delivery portals and systems, enabling businesses to perform transactions swiftly. The primary objectives are to enhance citizen convenience and ease of doing business.

2. Khyber Pakhtunkhwa Financial Landscape / Financial Snapshot / Context & Background

II. Current state of payment systems in Khyber Pakhtunkhwa:

The Government of Khyber Pakhtunkhwa (KP), and its sole banker i.e. the State Bank of Pakistan entered into an agreement in the year 2020 to digitize Government of KP receipts and make them available for payment through Alternate Delivery Channels (ADCs). With this agreement, the Government of Khyber Pakhtunkhwa first brought the Khyber Pakhtunkhwa's Revenue Authority (KPRA's) Sale Tax on Services online, and thereafter, the KP Motor Vehicle Tax and Arms License Fee was also digitized. While the agreement was a significant achievement towards promoting Person-to-Government (P2G) payments, however, the province has not been able to capitalize on its gains and has only managed to bring in three government receipts as described above. The reason for such slow pace digital on-boarding can largely be attributed to department's opting to hire multiple technical partners from the market. Multiple technical partners lead to reinventing the wheel on almost every digital on-boarding whilst also increasing the digitization cost for the government.

In the last Financial Year, the Government of KP managed to collect Rs. 76.2 billion in tax revenue and non-tax revenue, and majority of the tax and non-tax receipts were manual and still remain un-digitized, whereas the total collections also stand low compared to other provinces. Other provinces are capitalizing on gains by digitizing Traffic Challans, Abaina, Professional Tax Route Permits and Mines and Minerals receipts etc. to name a few and diversifying their portfolio.

The Government of Khyber Pakhtunkhwa digitization drive has multiple milestones to cover both in the government receipts and payments arena. On the government receipt's side, a refined and targeted approach needs to be drafted, which shall be discussed in detail this document, so as to bring more taxes/levies/fees etc. for payment through digital platform. In this regard, a collaboration of the Government of Khyber Pakhtunkhwa technical partner, and the State Bank of Pakistan is a necessary condition as the Khyber Pakhtunkhwa Information Technology Board (KPITB) is already in coordination with the SBP.

III. Challenges and opportunities in transitioning from manual to digital payments:

The financial landscape of Khyber Pakhtunkhwa (KP) is currently characterized by a predominance of manual payment and revenue collection processes. With approximately the majority of transactions being handled manually, the province faces significant challenges in ensuring fiscal transparency, efficiency, and security. The current state of payment systems in KP, based on the latest available financial data is listed below;

III. Financial Overview:

In the fiscal year 2023–24, Khyber Pakhtunkhwa's receipts from federal and provincial sources, excluding loans, borrowings, grants, and aids, totaled Rs. 1,459,612 million, an increase from Rs. 1,456,712 million in the previous year 2022–23. The revenue sources included both taxed and non-tax revenues, with substantial contributions from federal transfers and various provincial revenues. However, in 2024–25 Government of Khyber Pakhtunkhwa has estimated Rs 1,722,700 million which is 18% increase in comparison with financial year 2023–24

Overall, Khyber Pakhtunkhwa (KP) has made strides in digitizing revenue streams, bringing Sales Tax on Services, Motor Vehicle Tax, and Arms License Fees online under a 2020 agreement with the State Bank of Pakistan (SBP). Fragmented approaches and reliance on multiple technical partners have increased costs and slowed progress. Many revenue streams, such as property taxes and mineral royalties, remain manual, limiting efficiency and fiscal transparency.

KP's total receipts for FY 2023–24 were Rs. 1,459.6 billion, of which Rs. 76.2 billion came from tax and non-tax revenues of provincial government departments. While the Khyber Pakhtunkhwa Revenue Authority (KPRA) excelled, collecting Rs. 41.77 billion (119% of its target), while other departments, such as Energy & Power and Land Revenue, fell significantly short of their targets. Current revenue expenditures, which rose to Rs. 923 billion, dominated spending, leaving room for improvement in capital expenditures and infrastructure development.

The challenges in digitizing payments stem from a predominance of manual processes, inefficiencies, and limited adoption of digital payment platforms. With the majority of transactions handled manually, fiscal transparency, security, and revenue collection remain critical concerns. Meanwhile, other provinces have expanded their digital portfolios, successfully digitizing additional revenue streams such as traffic challans and professional taxes.

To address these issues, KP should streamline digitization efforts by designating KPITB as the primary technical partner, onboarding more revenue streams, and accelerating the use of digital platforms for payments. A real-time monitoring dashboard can further enhance transparency and decision-making. These steps will enable KP to build a more efficient, transparent, and digitally inclusive financial system.

3. Global Comparison of Digital Payments

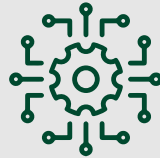
S.No.	Country	Initiative	Impact	Lesson for KP
1	India	Unified Payments Interface (UPI) has revolutionized digital transactions, processing over 100 billion transactions annually. The Goods and Services Tax (GST) portal also digitized tax payments.	Digital payment penetration rose significantly, contributing to over 80% of retail transactions being digital in 2023.	Integration of a unified payment interface can streamline revenue collection and increase adoption.
2	Estonia	Estonia's e-Government framework supports digital taxation, licensing, and public service payments through platforms like e-Tax Board and X-Road.	Nearly 99% of public services are available online, ensuring transparency and efficiency.	A centralized digital governance system can eliminate fragmentation and reduce costs.
3	Kenya	M-Pesa facilitates digital financial inclusion, particularly in rural areas, handling P2G and G2P transactions like utility bills and government fees.	Over 50% of GDP transactions occur digitally, significantly reducing manual cash handling.	Leveraging digital platforms can enhance inclusivity and reduce barriers in underserved regions.
4	Singapore	The Smart Nation program promotes digital payment integration across public and private sectors, using platforms like PayNow for interbank transfers and tax payments.	Over 90% of citizens actively use digital payment systems, ensuring efficiency and user satisfaction.	Prioritizing a user-centric design with high security fosters trust and adoption.
5	Sweden	Sweden's move toward a cashless economy includes Swish, a mobile app for payments integrated with government services. Tax filing and payments are fully digitized.	Less than 1% of transactions are cash-based, making Sweden one of the most digitized economies globally.	Transitioning to near-cashless systems improves fiscal transparency and reduces fraud risks.

Strategy Guiding Principles



Public Good

Use digital payments to support financial inclusion, drive economic growth, and improve social welfare.



Public Service Delivery

Integrate digital payment systems into government services to make them more accessible, faster, and easier to use.



Revenue Mobilization

Digitize revenue collection to increase efficiency, reduce leakages, and improve financial accountability.



Transparency

Enable real-time tracking and clear reporting to promote openness and build public trust.



Inclusivity

Ensure that every citizen—regardless of location or background—has access to digital payment solutions.



Efficiency

Simplify payment processes to save time, reduce manual work, and lower transaction costs.



Security

Implement strong cybersecurity measures to protect digital transactions and user data.



Innovation

Encourage ongoing advancements to meet evolving user needs.



User-Centric Design

Design systems that are easy to understand and use, putting citizen convenience first.



Vision

To establish a secure, efficient, and inclusive digital payment ecosystem that fosters transparency, boosts financial inclusion, and drives economic growth in Khyber Pakhtunkhwa.



Mission

To develop and implement a digital payment framework that integrates seamlessly with existing systems, promotes widespread adoption, ensures security and transparency, and enhances the overall efficiency of the financial landscape in Khyber Pakhtunkhwa.

Objectives:



- ✔ Transform all manual payment and revenue collection processes to digital platforms to enhance efficiency and reduce opportunities for corruption.
- ✔ Streamline payment processes to reduce transaction times and costs, benefiting both the government and citizens.
- ✔ Implement comprehensive financial and digital literacy programs to educate citizens and officials on digital payment usage.
- ✔ Encourage the adoption of new technologies to enhance the functionality and user experience of digital payment systems.
- ✔ Ensure universal access to digital payment systems, bridging the digital divide and promoting equal economic opportunities.
- ✔ Integrate digital payments into public services to improve accessibility and efficiency.
- ✔ Develop and enforce legal framework that ensures the security, reliability, and compliance of digital payment systems.
- ✔ Foster partnerships between government, private sector, and fintech startups to leverage best practices in digital payment systems.
- ✔ Use digital payment systems to support SMEs, reduce transaction costs, and stimulate economic growth.
- ✔ Enhance traceability and oversight of financial transactions to improve revenue collection and resource mobilization.
- ✔ Implement advanced cybersecurity measures to protect against fraud and cyber threats, safeguarding sensitive data.



Strategic Goals



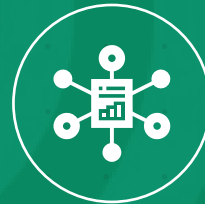
Strategic Goal 1:
Drive the Adoption of
Inclusive Digital Receipts
and Payments



Strategic Goal 2:
Establish a Reliable,
Inclusive, and Interoperable
Infrastructure



Strategic Goal 3:
Strengthen Governance,
Legal, and Oversight
Framework



Strategic Goal 4:
Enhance Financial and
Digital Literacy



Strategic Goal 5:
Foster an Environment for
Continuous Innovation



Strategic Goal 6:
Promote Fiscal Transparency
through Digital Financial
Management



6. Strategic Framework for Khyber Pakhtunkhwa's Digital Payment Ecosystem

The framework for Khyber Pakhtunkhwa's digital payment ecosystem is built upon 6 strategic goals, expanded into 38 action points, ensuring a holistic and sustainable approach to digital transformation.

Strategic Goals:

Strategic Goal 1: Drive the Adoption of Inclusive Digital Receipts and Payments

To create a truly inclusive and modern financial ecosystem, Khyber Pakhtunkhwa aims to accelerate the adoption of digital payments and receipts across all sectors. This includes encouraging government departments to digitize revenue collection, promoting the use of digital payments among citizens and businesses, and embedding these systems within public service delivery platforms. Special attention will be given to supporting marginalized communities and small businesses through incentives, capacity building, and awareness campaigns.

Enablers & Strategic Actions

1. Digital Revenue Collection - Enable digital channels for all government service payments such as taxes, fees, and licenses to improve ease and traceability.
2. No-Cash Collection Enforcement - Eliminate manual cash handling across all departments to ensure transparency, reduce leakage, and standardize digital payment methods.
3. Revenue Stream Digitization - Digitally transform key revenue sources like property tax, stamp duty, and vehicle registration to boost efficiency and accountability.
4. Public Service Payment Integration - Embed digital payment options within citizen-facing platforms for faster, secure, and seamless service payments.
5. Digital G2P Transfers for Social Support - Disburse welfare, and subsidies digitally to ensure timely delivery and reduce risks of fraud or delay.
6. Sector-Specific Digital Payment Solutions - Introduce customized digital solutions in sectors like transport, health, and education to simplify payments and improve service delivery.
7. Deployment of KP Digital Payment Gateway (Paymir) - Operationalize Paymir as the centralized, secure digital gateway for all citizen, business, and government transactions.
8. Promotion of Digital and Contactless Payments - Encourage the use of contactless and mobile-based payment systems among citizens and merchants through awareness and incentives.



9. Data-Driven Monitoring and Insights - Use advanced analytics to monitor adoption, understand user behavior, and adapt strategies for greater impact and inclusion.
10. AI-Powered Oversight and Compliance - Apply AI for real-time monitoring of the digital payment ecosystem, patterns and compliance.

→ Strategic Goal 2: Establish a Reliable, Inclusive, and Interoperable Infrastructure

An inclusive digital payment infrastructure is essential to ensure every citizen can access and benefit from digital financial services. This goal focuses on modernizing existing systems, expanding connectivity to remote and underserved areas, and promoting seamless interoperability between platforms.

Enablers & Strategic Actions

1. Infrastructure Modernization- Upgrade and expand payment collection and disbursement systems by leveraging public-private partnerships. Modernize legacy systems and broaden infrastructure to meet growing digital payment needs.
2. Development of Robust Digital Infrastructure - Ensure consistent and uninterrupted digital payment services across the province by investing in reliable and secure digital infrastructure that supports 24/7 operations.
3. Extension of Digital Payment Systems to Underserved Areas - Expand digital infrastructure and payment networks to remote, underserved, and rural communities to close the digital divide and promote financial inclusion.
4. Promotion of Interoperability Among Payment Platforms - Facilitate seamless transactions between banks, mobile wallets, and other platforms by promoting interoperability standards that enhance efficiency and user experience.
5. Inexpensive Acquiring Solutions for Micro-Merchants -Develop and implement affordable, easy-to-use payment acceptance solutions for micro-merchants through public-private collaboration, increasing their participation in the digital economy.



→ Strategic Goal 3: Strengthen Governance, Legal, and Oversight Framework

A secure and trusted digital payment ecosystem depends on strong governance, legal clarity, and effective oversight. This goal focuses on creating a solid legal foundation, setting up systems to ensure compliance, mitigating cyber threats, and monitoring financial flows in real time.

Enablers & Strategic Actions

1. Governance and Implementation Plan - Develop a robust governance and implementation framework that includes key performance indicators (KPIs), accountability structures, and regular reviews to ensure timely and effective execution of the strategy.
2. Establishment of Oversight Mechanisms - Set up dedicated oversight systems to monitor compliance, patterns, growth, implementation challenges across all digital payment platforms.
3. Revenue Tracking and Fiscal Responsibility - Implement digital tools to track real-time revenue collection versus government expenditures, enabling fiscal transparency, public accountability, and data-informed decision-making.
4. Legislation for E-Receipts as Proof of Payment - Enact legal recognition and standardization of digital e-receipts across all sectors, allowing them to serve as official proof of payment. This will streamline processes, reduce paper dependency, and enhance verification and audit efficiency.



→ Strategic Goal 4: Enhance Financial and Digital Literacy

Widespread adoption of digital payments depends not only on infrastructure but also on people's knowledge and confidence to use these tools. This goal focuses on building digital and financial literacy across all segments of society—citizens, youth, entrepreneurs, and government employees. Through targeted training, school programs, and public awareness initiatives, the government will empower individuals to manage their finances, use digital platforms safely, and participate in the digital economy.

Enablers & Strategic Actions

1. Comprehensive Financial Literacy Initiatives - Equip citizens with the knowledge and tools to understand, manage, and benefit from digital financial services, leading to broader financial inclusion and responsible financial behavior.
2. Government Workforce Upskilling - Train government employees on digital payment platforms and systems to ensure smooth implementation, reduce operational errors, and support transition to a cashless government.
3. Youth and Entrepreneurial Development - Empower youth and entrepreneurs with digital finance skills to help them grow their businesses, innovate, and thrive in the digital economy.
4. Capacity Building for Digital Payment Adoption - Provide training and support to citizens and businesses for adopting digital payment systems, ensuring ease of use, confidence, and high satisfaction levels.
5. Digital Safety Program for Schools and Colleges - Implement school-based digital safety programs to raise awareness among children and youth on how to use digital platforms responsibly and securely.
6. FinTech Startups and Innovation Ecosystem - Support fintech startups and innovators by organizing events, incubators, and bootcamps to accelerate digital financial innovation across the province.
7. Curriculum Development for Financial and Digital Skills - Develop and roll out standardized curricula on financial literacy and digital tools in collaboration with schools, universities, and industry experts to ensure long-term skill building and digital inclusion.



Strategic Goal 5: Foster an Environment for Continuous Innovation

To stay ahead in the rapidly evolving digital landscape, Khyber Pakhtunkhwa aims to create an ecosystem where innovation can thrive. This goal focuses on embracing emerging technologies, empowering fintech startups, and fostering public-private partnerships to co-develop digital solutions. The government will promote research and development, build innovation hubs, and connect local innovators with global networks to drive economic growth, job creation, and inclusive financial services.

Enablers & Strategic Actions

1. Technology Adoption and Integration - Encourage the use of new and emerging technologies across government departments to boost transparency, efficiency, and innovation in public services.
2. Public-Private Partnerships (PPPs) - Promote partnerships between the public sector and private tech firms to co-create and deploy innovative digital payment solutions for citizens.
3. Support for Fintech Startups - Create a favorable environment for fintech startups through incubators, regulatory sandboxes, and access to funding, enabling innovation in digital finance.
4. Research and Development (R&D) Initiatives - Invest in R&D to explore technology-driven solutions tailored to local needs, contributing to provincial digital advancement and economic resilience.
5. Digital Innovation Hubs - Establish dedicated hubs for collaboration, experimentation, and support for entrepreneurs, serving as centers of excellence for digital solutions.
6. Fintech Innovation and Partnerships - Strengthen partnerships between fintechs, government, financial institutions, and tech companies to co-develop inclusive financial products and improve service outreach.
7. Enhance Access to Global Resources in Fintech - Connect local fintech innovators with global resources, knowledge platforms, and investment networks to position Khyber Pakhtunkhwa within the international fintech landscape.



Strategic Goal 6: Promote Fiscal Transparency through Digital Financial Management

Fiscal transparency is at the core of accountable governance. This goal focuses on using digital technologies to strengthen the visibility, accuracy, and accessibility of government financial transactions. By leveraging real-time reporting tools, automated audits, and public dashboards, the government can ensure that revenue and expenditure data is traceable and available for oversight.

Enablers & Strategic Actions

1. Digital Financial Reporting and Monitoring – Implement real-time digital tools and dashboards to continuously track government receipts and expenditures, enabling greater visibility and traceability of financial flows.
2. Automated Audit Systems – Deploy automated systems to regularly audit financial transactions, quickly detect anomalies, and ensure compliance with financial regulations and standards.
3. Public Financial Dashboards – Create accessible public dashboards that display up-to-date data on budget allocations, revenue generation, and government spending, enabling citizens to stay informed.
4. Public Engagement and Participation – Establish platforms and mechanisms for citizen input on financial priorities, encouraging more inclusive and responsive budgeting and expenditure decisions.
5. Open Data Access – Develop an open data portal to publish detailed financial data that is easily accessible and usable by the public, researchers, and oversight institutions—enhancing transparency and informed discourse.

7. Roadmap

Workstream 1: End-to-End Digitization of Payments

Activity	Timeline	Responsibility	Key Actions	Deliverable	KPI
Map and digitize all G2P and P2G services	Q1 2025 – Q2 2030	KPITB, Finance Dept.	Identify, categorize, and digitize payments	Digitized service catalog	100% services digitized
Integrate Paymir with govt platforms	Q3 2025 – Q1 2030	KPITB	API integration, testing	Unified gateway	1M annual transactions
Introduce e-Receipts with legal status	Q3 2025 – Q2 2026	Finance & ST&IT	Draft and notify legislation	Legal recognition of e-receipts	100% services issuing e-Receipts
Public Service Delivery	Q3 2025 – Q2 2030	90% satisfaction	Quarterly	KPITB, Service Depts	Seamless, convenient services
Enable Contactless Payment Adoption	Q3 2025 – Q4 2030	KPITB, Finance Dept, Private Sector	Encourage mobile and card payments	Digital transaction expansion	Double contactless transactions
Onboard Micro-Merchants	Q3 2025 – Q2 2030	KPITB, Micro-Merchant Orgs	Register and train micro-merchants	Merchant payment enablement	100,000 merchants onboarded
Public Engagement and Participation	Q3 2025 – Q2 2030	KPITB, Finance Department	Run awareness campaigns, townhalls, publish updates	Increased public trust and feedback loops	Measurable improvement in citizen trust & engagement

Workstream 2: Financial Inclusion & Literacy

Activity	Timeline	Responsibility	Key Actions	Deliverable	KPI
School/College Programs	Q3 2025 – Q4 2030	Education Dept, KPITB	Curriculum + cyber safety	1K+ institutions reached	80% student awareness
Inclusive Payment Access	Q1 2026 – Q4 2030	District Administration, KPITB	onboarding for merchants	10K+ merchants	Rural transaction growth
Workforce Upskilling	Q3 2025 – Q2 2030	KPITB, ST&IT	Training	Efficient public sector support	100% trained IT employees
Digital Safety for Youth	Q1 2026 – Q2 2030	KPITB, Education Dept	Awareness in schools/colleges	Digital safety plans	500+ schools implemented

Workstream 3: Governance & Security

Activity	Timeline	Responsibility	Key Actions	Deliverable	KPI
No Cash Policy Implementation	Q1 2026 – Q4 2030	Finance Dept	Mandate digital transactions	Policy enacted	Service wise Implementation
AI Oversight Dashboards	Q2 2025 – Q4 2030	KPITB, Finance Dept	Fraud detection + dashboards	Real-time data tools	100% compliance by departments
PFM Reform System	Q3 2025 – Q4 2030	Finance Dept	Integrate budget-execution-audit	Unified PFM system	30% cost savings
Data Dashboards	Q2 2025 – Q1 2030	KPITB, Finance	Public dashboards for receipts/exp enditure	Dashboard Design	100% dashboard availability
Open Financial Data Portals	Q1 2026 – Q4 2030	KPITB, PMRU	Launch open budget/receipt datasets	Open Data Portal with KPIs	100% fiscal data transparency

Workstream 4: Infrastructure & Technology

Activity	Timeline	Responsibility	Key Actions	Deliverable	KPI
Paymir Gateway	Q2 2025 – Q4 2026	KPITB	Develop integrated payment gateway	Fully operational platform	24/7 Uptime
National Payment Integration	Q3 2025 – Q1 2026	KPITB, SBP/1Link	1Link and State Bank Integration	Interoperable payments	100% Integration
Wallets & QR Payment Deployment	Q3 2025 – Q4 2030	Finance Dept, KPITB, FIs	Wallet issuance + QR rollout	District wise QR points	Digital adoption by Districts
National Integration (Raast/1Link)	Q3 2025 – Q1 2026	KPITB, SBP	Setup APIs for national linkages	Real-time transactions	95% success rate

Workstream 5: Digital Innovation Ecosystem

Activity	Timeline	Responsibility	Key Actions	Deliverable	KPI
Innovation Hubs Setup	Q1 2026 – Q4 2030	KPITB, Private Sector	Setup co-working and dev labs	3 Innovation Hubs	20 digital solutions launched
R&D Grants for Fintech	Q2 2025 – Q4 2030	KPITB, Research Orgs	Fund local fintech pilots	10 R&D projects/year	10 new innovations
Global Fintech Collaboration	Q1 2026 – Q1 2030	KPITB, Int'l Partners	MOUs with global players	Knowledge sharing MOUs	15 global partnerships
Startup Bootcamps	Q1 2025 – Q4 2030	KPITB, Incubators	Organize fintech workshops	10 events/year	50 startups supported
Public-Private Partnerships	Q2 2025 – Q4 2027	KPITB, Private Sector Partners	Facilitate private sector collaboration and funding	Mobilized investments/ Seed Funds	Innovation-driven public service enhancements
Support for Fintech Startups	Q1 2025 – Q4 2030	KPITB, Innovation Hubs, Private Sector Partners	Incubate and support emerging fintech startups	50 fintech startups nurtured	Increased jobs, financial inclusion, innovation

Workstream 6: Quick Wins Implementation (First 120 Days)

#	Activity	Timeline	Responsibility	Milestone
1	Identification of automated services lacking digital payment integration	Day 1–10	Chief Secretary Office, Line Departments, KPITB	Mapping report finalized
2	Identification of non-automated services requiring e-Invoicing/e-Receipts	Day 1–15	Chief Secretary Office, Line Departments, KPITB	Inventory of offline services prepared
3	Finalize & sign Joinder Agreement with SBP (all services)	Day 15–20	Finance Dept, State Bank	Agreement signed
4	Creation of 1Link accounts for all departments/services (head-wise)	Day 10–30	Finance Dept.	1Link account creation completed
5	Categorization of Account-1 vs. Non-Account-1 services	Day 1–10	Finance Dept., AG Office	Classification document approved
6	Integration of 1Link with Paymir	On-Going	KPITB, FinTech Team, 1Link	Paymir live with 1Link test accounts
7	Security review & technical audit of Paymir platform	On-Going	KPITB, FinTech Team, CERT	Audit completed and compliance ensured
8	MoUs/QBS selection of mobile wallet providers (district-specific)	Day 10–60	Deputy Commissioner	Minimum 3 wallets selected
9	Negotiation & contracting for QR (online + USSD/offline) payments	Day 1–70	Deputy Commissioner	Agreements signed with providers
10	Development of Business Registration Portal (QR code generation)	Day 10–45	KPITB	Portal launched and tested
11	District-level mobilization for merchant registration	Day 60–90	DC Office	Registration campaign underway
12	Printing & delivery of QR codes to verified merchants	Day 70–100	DC Office	80% of verified shops/stalls display QR
13	Province-wide awareness & media campaign	On-Going	Information Department	Radio, TV, digital & local campaigns launched
14	Complete vendor/shop/stall data collection (VC/NC-wise)	Day 65–110	DCs, Local Govt	Verified digital vendor database created
15	FinTech Awareness Campaigns (Schools, Colleges, Univ.)	Day 15–115	KPITB, HED, EnSE	Events in 10 institutions conducted
16	Targeted awareness for women, youth, SMEs, marginalized groups	Day 15–120	KPITB, Social Welfare Department	Inclusive outreach activities completed

8. Governance Structure – Institutional Framework

Provincial Financial Inclusion Council (PFIC)

The Council will set the overall vision, strategic goals, and policy direction for financial inclusion and digital payments in the province. The Council ensures that the strategy aligns with both provincial and national development objectives, leverages international best practices, and drives economic growth through digital transformation.

Terms of Reference:

- Develop and approve policies related to financial inclusion and digital payments, ensuring they are comprehensive and aligned with the province's Good Governance and Economic Development goals.
- Monitor the implementation of the digital payment strategy, regularly reviewing progress to ensure that it stays on track and adapts to any changes in the provincial landscape.
- Facilitate coordination among key government departments, private sector stakeholders, and civil society organizations, ensuring that all parties are aligned and working towards common objectives.
- Receive and review detailed reports from all committees and operational units involved in the strategy, providing guidance and making necessary adjustments to improve effectiveness.
- Make high-level decisions regarding the allocation of resources, prioritization of initiatives, and resolution of strategic issues that may arise during the implementation of the digital payment strategy.
- Ensure transparency and accountability by making key reports and data available to the public, fostering trust and encouraging public engagement.
- Incorporate lessons from successful international models and adapt best practices to suit the specific needs and context of Khyber Pakhtunkhwa.
- Provide leadership and direction to ensure that the strategy not only meets immediate goals but also contributes to long-term financial inclusion and digital transformation in the province.

Composition:

1. Chief Minister of Khyber Pakhtunkhwa – Chairman
2. Finance Minister – Vice Chairman
3. Minister of Revenue/Excise
4. Chief Secretary
5. Additional Chief Secretary P&D/Home
6. Senior Member Board of Revenue
7. Secretary of Finance
8. Secretary of Science Technology & Information Technology
9. Secretary of Service Delivery Departments (Revenue, Excise, Transport, Irrigation etc)
10. Head of Khyber Pakhtunkhwa Revenue Authority (KPRA)
11. Head of KP Information Technology Board (KPITB)
12. Representative from Financial Institutes
13. Private Sector Representatives (Banks, Telecoms, FinTech Startups)
14. Co-opted Members
15. Coordinator– Finance Department (Secretary of Council)

9. Digital Payments Inclusion Committee:

The Digital Payments Inclusion Committee aims to drive the widespread adoption and integration of digital payment systems across various sectors in Khyber Pakhtunkhwa. It focuses on ensuring that these digital solutions are inclusive, accessible, and user-friendly, addressing barriers to adoption and facilitating the transformation of payment systems to enhance efficiency, transparency, and financial inclusion across the province.

Terms of Reference:

- Facilitate integration of digital payment solutions across key sectors, including government services, healthcare, education, transport, and others.
- Design and implement strategies to promote digital payments adoption through incentives, public awareness campaigns, and private sector partnerships.
- Encourage a culture of trust and preference for digital payment systems among citizens, businesses, and service providers.
- Ensure all digital payment platforms are accessible, user-friendly, and inclusive for citizens across all demographics, including remote and underserved areas.
- Implement strategies to bridge the digital divide and expand access to marginalized communities.
- Collaborate with civil society, advocacy groups, and local bodies to overcome barriers related to digital access and financial literacy.
- Track implementation and performance of digital payment initiatives against the strategic objectives set by the Provincial Financial Inclusion Council (PFIC).
- Collect and analyze data on adoption rates, user satisfaction, and technical performance of digital payment platforms.
- Submit periodic reports to PFIC highlighting achievements, bottlenecks, corrective measures, and future recommendations.
- Facilitate dialogue and collaboration among stakeholders including government agencies, fintech startups, private sector players, and community organizations.
- Identify and assess challenges to adoption of digital payments—technological, regulatory, infrastructural, or cultural.
- Recommend and support implementation of targeted solutions such as improved infrastructure, digital capacity-building, and regulatory adjustments.

Composition:

1. Secretary Finance – Chairman
2. Secretary ST&IT
3. Secretary of Service Delivery Departments (Revenue, Excise, Transport, Irrigation etc)
4. Head of KP Information Technology Board (KPITB)
5. Coordinator – Finance Department (Secretary)

10. Programme Management Unit / FinTech Unit

The Programme Management Unit / FinTech Unit is responsible for the effective implementation and coordination of the Khyber Pakhtunkhwa Digital Payment and FinTech Strategy. This unit ensures that all related projects are managed efficiently, within budget, and align with the strategic goals.

Responsibilities:

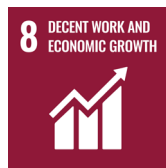
- Lead the execution of the Khyber Pakhtunkhwa Digital Payment and FinTech Strategy by developing and managing detailed project plans, ensuring timely, budget-compliant, and goal-aligned delivery of all initiatives through best project management practices.
- Act as the central coordinating body for all digital payment and FinTech activities, ensuring effective communication, alignment, and collaboration among government departments, private sector partners, and other stakeholders to achieve the strategic goals.
- Oversee the efficient allocation and management of financial, human, and technological resources, monitor project timelines to ensure milestone achievement, and maintain strict budget control to align expenditures with strategic objectives.
- Responsible for preparing and presenting comprehensive progress reports to the Digital Payments Inclusion Committee and the Provincial Financial Inclusion Council, detailing implementation status, challenges, budget updates, and next steps, while using these reports to seek guidance and highlight areas requiring attention.
- Foster a culture of innovation by supporting fintech startups, promoting the adoption of new technologies, and facilitating public-private partnerships to drive progress and enhance service delivery within the digital payment and FinTech ecosystem.
- Ensure the development and maintenance of secure, reliable, and scalable digital payment infrastructure by overseeing technological frameworks, monitoring system performance, and promptly addressing technical issues to ensure uninterrupted service delivery.
- Ensure that all digital payment systems adhere to national and international security and data protection standards by implementing robust security protocols, regularly updating them to counter emerging threats, and safeguarding user information in compliance with relevant regulations.
- Evaluate new technologies for integration into the digital payment ecosystem by conducting thorough assessments and pilot trials to ensure alignment with strategic goals and compliance with standards for security, scalability, and usability.
- Continuously monitor and audit the performance of digital payment systems to identify vulnerabilities and inefficiencies, implementing corrective measures to enhance their resilience, efficiency, and overall effectiveness.
- Plan and implement scalable strategies for digital payment systems, develop contingency plans for service continuity during disruptions, and future-proof the infrastructure to adapt to evolving technology and growing user demands
- Charge the Platform/Digital Solution fee to the departments/organization/businesses for the sustainability of the Khyber Pakhtunkhwa Information Technology Board and FinTech initiatives.

Composition:

1. Head of FinTech Unit KPITB – Chairman
2. Representative from Secretary ST&IT
3. Representative from Service Delivery Departments (Revenue, Excise, Transport, Irrigation, and other concerned departments)
4. FinTech Coordinator, KPITB (Secretary)

11. Digital Financial inclusion link to SDGs 2030

Digital financial inclusion, through innovations in digital payments and fintech, plays a vital role in advancing several SDGs by enhancing access to financial services for marginalized populations. The following SDG goals are applicable with digital inclusion in Khyber Pakhtunkhwa



The integration of digital financial inclusion within the framework of the SDGs presents a opportunity for the Government of Khyber Pakhtunkhwa. By advancing digital payments and fintech solutions, this can create a more inclusive economy that empowers individuals and communities, fosters sustainable growth, and addresses systemic inequalities.

→ 12. Future of Payments

The future of payments in Khyber Pakhtunkhwa is set to be a comprehensive, secure, and seamless digital experience, driven by cutting-edge technologies and a strategic commitment to financial inclusion. The province's payment ecosystem will evolve to embrace advanced digital methods, including contactless payments and QR code-enabled transactions, allowing citizens to make quick and secure payments using their mobile devices for a wide range of activities. These will include shopping, utility payments, public transportation, and accessing government services, all through a unified and convenient platform.

The digital payment system will be designed to offer a versatile and user-friendly experience, enabling citizens to use a single platform for multiple types of transactions. Whether it's paying for groceries at local shops, settling utility bills, accessing public transportation, or making payments for government services, the system will provide seamless integration across various sectors. This will not only minimize the reliance on physical cash and cards, reducing the risk of fraud and theft but will also enhance the convenience and accessibility of digital payments.

This approach will create a cohesive and interoperable payment infrastructure that connects various public and private sector platforms, ensuring that all citizens, regardless of their location or socio-economic status, have access to efficient and secure financial services. The ultimate goal is to foster a universally accessible digital payment ecosystem that empowers citizens, supports economic growth, and improves the overall quality of life in the province. By incorporating features such as contactless payments, QR code transactions, and a unified payment platform, Khyber Pakhtunkhwa will position itself at the forefront of digital financial innovation, ensuring a smooth transition to a cashless, digitally empowered society.

→ 13. FinTech

FinTech will play a pivotal role in the digital transformation of Khyber Pakhtunkhwa, acting as the engine for innovation and expansion of financial services across the province. The government will implement policies inspired by global best practices to create a supportive environment for fintech startups, encouraging them to develop and deploy innovative financial solutions. A key element of this approach will be the establishment of regulatory sandboxes, where fintech companies can test new products and services in a controlled environment. This will allow for the safe exploration of innovative financial technologies while ensuring that consumer protection remains a priority. Moreover, financial literacy programs will be widely promoted to ensure that all citizens understand and feel confident using digital payment systems, further driving adoption and reducing the risk of fraud. By fostering a dynamic fintech ecosystem, Khyber Pakhtunkhwa will enhance its digital payment infrastructure, promote financial inclusion, and stimulate economic growth. Pakistan's Securities and Exchange Commission (SECP) has introduced regulatory sandboxes to allow FinTech startups to test their products in a controlled environment under regulatory supervision. The sandboxes models of SCEP may be leveraged for the said purpose.

14. Anti-Corruption Measures for Improving Internal Control, Transparency, and Accountability

To enhance transparency, accountability, and internal control within the digital payment ecosystem, Khyber Pakhtunkhwa will implement comprehensive anti-corruption measures. These measures will include the deployment of AI-driven oversight systems that monitor financial transactions in real-time, identifying any anomalies or suspicious activities instantly. Regular audits and compliance checks will be conducted to ensure strict adherence to financial regulations, preventing fraudulent practices and reinforcing the integrity of the system. The government will establish clear and transparent protocols for reporting and investigating corruption, ensuring swift and transparent action against any breaches. Additionally, the province will promote open data initiatives, making financial information publicly accessible and allowing citizens to monitor government spending and revenue collection. These anti-corruption strategies will build public trust in the digital payment systems, ensuring that the transition to digital financial services is not only efficient but also transparent and accountable.

15. Khyber Pass

Khyber Pass – Transforming Khyber Pakhtunkhwa into a Seamless, Cashless Economy

The **Khyber Pass** – electronic Identity (eID) Mechanism is a unified, secure digital identity system designed to streamline access to government services for citizens of Khyber Pakhtunkhwa and – a digital payment solution represents a significant step towards a cashless society by integrating various public and private sector services into a single, easy-to-use platform. This initiative aligns with the province's Good Governance Strategy, focusing on its pillars of idea, innovation and technology, public service delivery, and citizen engagement. By establishing a single, unified profile for each citizen, the Khyber Pass eID enables one-point access to personal information and services, reducing redundancy and enhancing the overall user experience. Integrated with the Khyber Pakhtunkhwa Digital Strategy & Transformation Roadmap 2030, the Khyber Pass eID is a critical component of the province's digital governance and digital payment strategies, supported by the Digital Khyber – Stack infrastructure. The Khyber Pass (Card) enables users to make payments for a wide range of services, from public transport to utility bills, retail purchases, and government services, using a single card or mobile app. The goal is to provide a convenient, secure, and efficient payment system that enhances financial inclusion, reduces the reliance on cash, and streamlines transactions across the province.

Key Features:

A) Unified Digital Identity (Uniqueness of IDs):

- The Khyber Pass provides a centralized identity linked to the National Identity Card (NIC)/Form B/Birth Registrations. This eliminates the need for multiple registrations and verifications across services. Citizens can access all government services through one platform for greater convenience. It unifies citizen-government interactions and streamlines service delivery.

B) Contactless and QR Code Payments:

- Khyber Pass supports both contactless payments and QR code scanning, allowing users to make quick and secure transactions with just a tap or scan. This feature is particularly useful for public transport, retail purchases, and small merchants.

C) Stored Value and Automatic Top-Up:

- Users can load funds onto their Khyber Pass (Card) and set up automatic top-up options linked to their bank accounts or mobile wallets. This ensures that they always have sufficient balance for transactions, similar to the functionality offered by Octopus and EZ-Link cards.

D) Multi-Platform Integration:

- The card is integrated with multiple payment platforms, including major mobile wallets like JazzCash, Easypaisa, and ILink, others.. This allows users to choose their preferred payment method, whether through the physical card, mobile app, or online platform.

E) Centralized Digital Dashboard:

- Government departments and users can access a centralized digital dashboard to monitor transactions in real-time, view payment histories, and manage accounts. This feature enhances transparency and allows for efficient tracking of expenditure. The same can be linked with FBR and tax authorities.

F) Biometric and Multi-Factor Authentication:

- The system includes biometric verification, such as fingerprints, iris and facial recognition, for robust authentication. Multi-factor authentication (MFA) adds an extra layer of security, preventing unauthorized access. Verified individuals can access sensitive services, ensuring data protection. Advanced protocols enhance trust and protect citizen information. Privacy and Security by Design: • The Khyber Pass adheres to privacy by design, sharing only the necessary information for each transaction. Data minimization and encryption safeguard user information from unauthorized access. Compliance with global standards ensures secure data handling and storage. Citizens are protected from data misuse and breaches.

G) Integration with Dastak Platform:

- As part of the Dastak Public Service Delivery Platform, the Khyber Pass aggregates citizen information and services. It enables centralized access, real-time updates, and status tracking. Citizens benefit from seamless, mobile-friendly services that simplify interactions. This integration improves operational efficiency and service delivery.

H) Privacy and Security by Design:

- The Khyber Pass adheres to privacy by design, sharing only the necessary information for each transaction. Data minimization and encryption safeguard user information from unauthorized access. Compliance with global standards ensures secure data handling and storage. Citizens are protected from data misuse and breaches.

I) User-Friendly Design:

- The platform features an intuitive interface to ensure ease of use for all demographics/user group. Multilingual support and accessibility features cater to diverse populations, including those with limited digital literacy. A focus on simplicity promotes quick adoption by citizens. User experience is central to the system's design.

J) Security and Compliance:

- Robust security measures, including encryption, multi-factor authentication, and compliance with international standards (like PCI-DSS), ensure that all transactions are secure, and user data is protected.

K) Automatic Notifications and Alerts:

- Users receive automatic notifications and alerts via SMS or the mobile app for every transaction, ensuring they are always informed and in control of their spending.

L) Fraud Prevention and Accountability:

- Advanced verification processes, including biometric authentication and audit trails, deter fraud and enhance transparency. Regular monitoring and reporting ensure accountability in the system. These measures safeguard public resources and build trust in government services. Fraud prevention strengthens the system's credibility and reliability.

M) Real-Time Processing and Reporting:

- Transactions made using the Khyber Pass (Card) are processed in real-time, with instant updates to both the user and relevant government departments. This feature is crucial for services that require immediate confirmation, such as visa applications or utility reconnections.

Global Comparison

Feature	Khyber Pass (Card) (Khyber Pakhtunkhwa)	India (UPI-based Solutions)	DubaiPay (Dubai)	Octopus Card (Hong Kong)	EZ-Link (Singapore)	Suica/Pasmo (Japan)	Oyster Card (London, UK)	Clipper Card (San Francisco, USA)	Myki (Melbourne, Australia)
Contactless Payments	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
QR Code Payments	Yes	Yes	Yes	No	No	No	No	No	No
Stored Value System	Yes	No (Direct Bank Link)	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Automatic Top-Up	Yes	Yes (Linked to Bank Account)	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Multi-Platform Integration	Yes	Yes	Yes	Limited	Yes	Yes	Yes	No	No
Integration with Mobile Wallets	Yes (JazzCash, Easypaisa, 1Link)	Yes	Yes	No	Yes	Yes	Yes	No	No
Public Transport Payments	Yes	Yes	No	Yes	Yes	Yes	Yes	Yes	Yes
Retail Payments	Yes	Yes	Yes	Yes	Yes	Yes	Limited	No	No
Utility Bill Payments	Yes	Yes	Yes	No	Yes	No	No	No	No
Government Services Payments	Yes	Yes	Yes	No	Yes	No	No	No	No
Centralized Digital Dashboard	Yes	Yes	Yes	No	No	No	No	No	No
Public and Private Sector Partnerships	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Security and Compliance	High (Encryption, MFA, PCI-DSS)	High	High	High	High	High	High	High	High
Loyalty Programs	Yes	Yes	No	Yes	No	Yes	No	No	No
Interoperability	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No
Mobile App Integration	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No
Regulatory Sandbox	Yes	Yes	Yes	No	No	No	No	No	No
Global Use/Expansion	Potential Future Expansion	International Expansion	Yes (Limited)	Limited to Hong Kong	Limited to Singapore	Limited to Japan	Limited to UK	Limited to San Francisco	Limited to Melbourne
Real-Time Processing & Reporting	Yes	Yes	Yes	No	No	No	No	No	No
Automatic Notifications/Alerts	Yes (SMS/App)	Yes	Yes	No	Yes (Limited)	No	No	No	No
Regulatory Compliance	High (Strict Compliance)	High	High	High	High	High	High	High	High

→ 16. Paymir – Simple, Secure, Seamless – KP Government Digital Payment Gateway

Paymir is an integrated digital payment gateway designed to centralize and simplify the collection of payments across various government departments and affiliated entities in Khyber Pakhtunkhwa. It provides a comprehensive solution by integrating multiple payment options, including a mobile application and a web-based dashboard for departmental use. Citizens can now easily pay for services such as registration fees, service charges, and more without needing to visit physical locations or multiple e-wallets.

To date, Paymir has successfully integrated several services from different departments, with plans to expand this integration to include all government services. This platform is pivotal in driving the province's financial inclusion efforts, ensuring that citizens from all backgrounds can participate in the digital economy.

I. Integration with ILink: Paymir is also integrated with ILink, Pakistan's largest payment and switch system, which further enhances the platform's capabilities. ILink provides a robust infrastructure that connects various financial institutions, enabling interbank transactions and a wide range of payment services. Key features of ILink integration include:

- a. **Interbank Fund Transfer (IBFT):** This feature allows users to transfer funds between accounts held at different banks, making Paymir a tool for financial transactions.
- b. **Bill Payment Services:** Users can pay utility bills, taxes, and other charges through Paymir, leveraging the extensive network of billers connected to ILink.
- c. **ATM Connectivity:** Through ILink, Paymir users can access ATM services, allowing for cash withdrawals and other banking services through a unified platform.
- d. **Security and Compliance:** ILink ensures high levels of security and compliance with regulatory standards, safeguarding all transactions made through Paymir.

II. Salient Features: Paymir offers a host of features designed to make payments seamless and secure:

- a. **All Payment Gateways in One App:** It integrates popular payment platforms such as JazzCash, Easypaisa, HBL, UBL, UPaisa, and others, allowing users to choose their preferred method of payment.
- b. **Multiple Payment Modes:** Users can make payments via mobile wallets, over-the-counter at retail agents, or using debit/credit cards, ensuring maximum convenience.
- c. **Centralized Dashboard:** Government departments can access a visual dashboard for real-time reporting and monitoring of transactions, enhancing administrative efficiency.
- d. **SMS Alerts:** Citizens receive SMS notifications for every transaction, ensuring transparency and keeping them informed.
- e. **ILink Integration:** With ILink, Paymir supports interbank transactions, bill payments, and ATM services, making it a comprehensive payment gateway.

Financial Inclusion and Integration: Paymir plays a crucial role in promoting financial inclusion by providing seamless access to digital payment services. By integrating with multiple microfinance banks and ILink, Paymir ensures that individuals from diverse socio-economic backgrounds can participate in the digital economy. This integration not only fosters economic growth but also promotes the efficient collection of non-tax revenues, which is critical for the province's development.

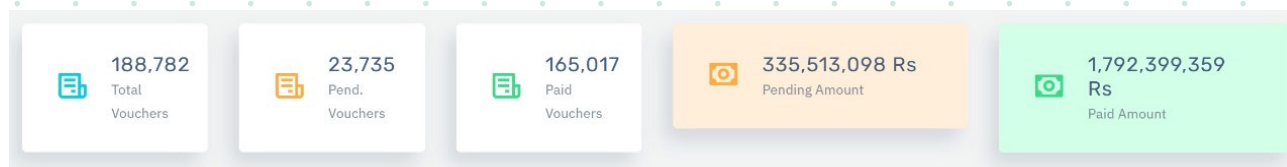
III. Process Flow: The process of making payments through Paymir is designed to be straightforward and user-friendly:

- Registration and Login:** Citizens register on the Citizen Facilitation Center (CFC) service delivery portal and log in to access services.
- Service Selection:** After logging in, they select the desired service (e.g., arms license).
- Payment through Paymir:** Citizens choose Paymir as their payment option, which generates a unique application number.
- Payment Processing:** The application number is sent to the Paymir mobile app, where citizens can process the payment using their preferred method (e.g., JazzCash, Easypaisa, ILink).
- Dashboard and SMS Alerts:** The payment is instantly reflected on the department's dashboard, and the citizen receives an SMS confirmation.

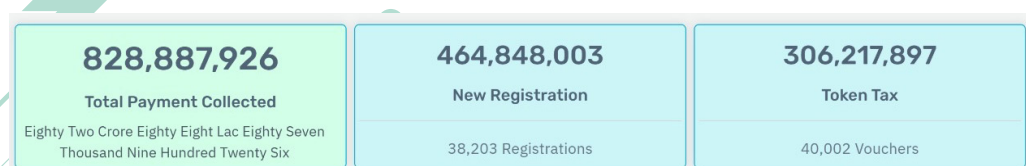
Financial potential and future plan: Paymir has already facilitated the collection of more than Rupees 1.79 Billion worth of transactions through its digital platform, demonstrating its significant potential. Moving forward, Paymir will expand its services by integrating with additional microfinance banks and exploring new partnerships. The platform will not only focus on payment collections but also on disbursements, such as scholarships, awards, and subsidies, thereby broadening its impact.

The Government of Khyber Pakhtunkhwa aims to channel all non-tax revenue collections through Paymir, further enhancing financial transparency and efficiency in the province. With these advancements, Paymir is poised to become the cornerstone of Khyber Pakhtunkhwa's digital payment infrastructure, driving the province towards a fully cashless economy.

Snapshot of Arm Licenses



Snapshot of Motor vehicle Registration/Transfer



17. Communication Plan

To effectively communicate the objectives, benefits, and implementation process of the Khyber Pakhtunkhwa Digital Payment & FinTech Strategy to all stakeholders, including government entities, private sector partners, financial institutions, fintech startups, and the general public. The strategy aims to build awareness, foster collaboration, ensure transparency, and drive the adoption of digital payment systems across the province. The communication plan is as follows:

Phase	Objective	Key Activities	Target Audience	Communication Channels
Awareness (Initial Launch)	Introduce the Digital Payment & FinTech Strategy, highlighting its importance, benefits, and key components.	Press releases, launch event, media interviews, social media campaigns, targeted workshops for key stakeholders.	Government officials, financial institutions, fintech startups, general public	Press releases, social media, workshops, media interviews.
Engagement (Implementation Phase)	Engage stakeholders in the implementation process, ensuring participation and collaboration.	Regular updates via newsletters, public forums, feedback sessions, workshops for fintech startups and financial institutions.	Financial institutions, fintech startups, government departments, private sector	Newsletters, public forums, social media, workshops.
Adoption (Rollout of Services)	Drive adoption of the Khyber Pass and other digital payment services across the province.	Mass media campaigns, influencer partnerships, promotions, incentives for early adopters, public education through town hall meetings.	General public, small businesses, government departments	TV/radio ads, social media, influencer partnerships, town hall meetings.
Sustainment (Ongoing Communication)	Sustain momentum, ensure continuous stakeholder engagement, and address implementation issues.	Continuous media engagement, regular public updates, success stories, case studies, ongoing training for government and private sector.	All stakeholders, including government, private sector, and the public	Media engagement, case studies, training sessions, social media updates.
Monitoring and Evaluation	Measure the effectiveness of communication efforts, adjust strategies as needed.	Regular assessments, quarterly reports, feedback surveys, adjustments based on performance data.	Internal stakeholders, Provincial Financial Inclusion Council	Feedback surveys, quarterly reports, performance metrics

→ 18. Alternate Delivery Channels ADCS for Digital Payments

I. Introduction to Alternative Delivery Channels (ADC):

Alternative Delivery Channels (ADC) refer to the various non-traditional methods used to deliver banking and financial services to customers. These channels have emerged as critical enablers of financial inclusion and digital transformation in the financial sector. ADCs encompass a broad range of technologies and platforms, including Automated Teller Machines (ATMs), Point of Sale (POS) terminals, internet banking, mobile banking, agency banking, and digital wallets. By leveraging these channels, financial institutions can extend their services beyond physical branches, thereby reaching a wider customer base and enhancing convenience for users.

II. Importance of ADCs in the Digital Payment Ecosystem:

ADCs play a vital role in the digital payment ecosystem by facilitating faster, more secure, and more accessible payment solutions. They enable customers to conduct transactions and access financial services anytime and anywhere, contributing to increased customer satisfaction and loyalty. In regions like Khyber Pakhtunkhwa, where geographical and infrastructural challenges can limit access to traditional banking services, ADCs provide an effective means to bridge the gap and promote financial inclusion.

III. Types of Alternative Delivery Channels:

1. Automated Teller Machines (ATMs):

ATMs are one of the oldest and most widely used ADCs, providing 24/7 access to cash withdrawal, balance inquiries, fund transfers, and bill payments. Modern ATMs also support contactless transactions and cardless withdrawals using biometric authentication or QR codes, enhancing security and convenience for users.

2. Point of Sale (POS) Terminals:

POS terminals facilitate in-store payments by allowing customers to pay for goods and services using debit or credit cards. With advancements in technology, POS systems now support contactless payments, mobile wallets, and QR code-based transactions, making them versatile tools for digital payments.

3. Internet Banking:

Internet banking allows customers to manage their bank accounts, transfer funds, pay bills, and access a range of financial services through a web browser. This channel offers high levels of convenience and flexibility, enabling customers to perform transactions from their homes or offices.

4. Mobile Banking:

Mobile banking applications provide a comprehensive suite of banking services accessible via smartphones. With the increasing penetration of smart phones and mobile internet, mobile banking has become a crucial channel for delivering financial services, especially in remote and underserved areas.

5. Agency Banking:

Agency banking involves partnerships between financial institutions and third-party agents who provide basic banking services on behalf of the bank. Agents can be local businesses or individuals equipped with point-of-sale devices or mobile phones to offer services such as cash deposits, withdrawals, and bill payments. This model is particularly effective in expanding financial services to rural and underserved communities.

6. Digital Wallets:

Digital wallets are applications that store payment information and allow users to make payments electronically without needing physical cards or cash. They can be linked to bank accounts, credit cards, or prepaid accounts and support a variety of payment methods, including QR codes and contactless payments.

IV. Best Practices for Implementing ADCs:

To successfully implement ADCs and maximize their impact, it is crucial to adhere to both national and international best practices:

1. Customer Education and Awareness:

Educating customers about the benefits and usage of ADCs is essential for driving adoption and usage. Financial institutions should conduct awareness campaigns, provide training sessions, and offer customer support to ensure that users are comfortable and confident in using these channels.

2. Security and Fraud Prevention:

Ensuring the security of ADC transactions is paramount to maintaining customer trust. Financial institutions should implement robust security measures, such as two-factor authentication, biometric verification, end-to-end encryption, and regular security audits to protect against fraud and cyber threats.

3. Regulatory Compliance:

Compliance with local and international regulations, such as anti-money laundering (AML) and know your customer (KYC) requirements, is crucial for the sustainable operation of ADCs. Financial institutions should work closely with regulators to ensure that their ADC offerings adhere to relevant laws and standards.

4. Interoperability:

ADCs should be designed to be interoperable with other payment systems to ensure a seamless customer experience. This includes enabling cross-platform transactions, supporting multiple payment methods, and integrating with other financial services to provide a cohesive ecosystem.

5. User-Centric Design:

Designing ADCs with a focus on user experience is critical for ensuring customer satisfaction and retention. This involves creating intuitive interfaces, minimizing transaction steps, and providing features that cater to the specific needs of different customer segments, including those with limited digital literacy.

6. Partnerships and Collaboration:

Collaboration between financial institutions, technology providers, and other stakeholders is essential for the successful deployment and scaling of ADCs. Partnerships can help share resources, knowledge, and expertise, fostering innovation and enhancing the overall quality of services.

V. The Role of ADCs in Financial Inclusion in Khyber Pakhtunkhwa:

In the context of Khyber Pakhtunkhwa, ADCs have the potential to significantly enhance financial inclusion by providing access to banking and financial services in areas where traditional banking infrastructure is lacking. By leveraging mobile banking, agency banking, and digital wallets, financial institutions can reach unbanked and underbanked populations, enabling them to participate in the formal financial system and improve their economic well-being.

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Approved by:



Endorsed by:



FINANCE DEPARTMENT



**DEPARTMENT OF
SCIENCE & TECHNOLOGY
AND INFORMATION TECHNOLOGY**
GOVERNMENT OF KHYBER PAKHTUNKHWA

Digital Payment Gateway:



Regulatory Oversight:



Platform Partners:



Integration Partners:



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KHYBER PAKHTUNKHWA
INFORMATION
TECHNOLOGY
BOARD

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