



Governance and Policy Program for Khyber Pakhtunkhwa (KP) (P156410)

SOUTH ASIA | Pakistan | Governance Global Practice |
 Recipient Executed Activities | Investment Project Financing | FY 2017 | Seq No: 1 | ARCHIVED on 18-Aug-2017 | ISR29255 |

Implementing Agencies: Economic Affairs Division, Planning and Development Department, Khyber Pakhtunkhwa

Key Dates

Key Project Dates

Bank Approval Date:20-Apr-2017

Effectiveness Date:23-May-2017

Planned Mid Term Review Date:--

Actual Mid-Term Review Date:--

Original Closing Date:30-Jun-2020

Revised Closing Date:30-Jun-2020

Project Development Objectives

Project Development Objective (from Project Appraisal Document)

The Project Development Objective (PDO) is to strengthen the capacity for Sales Tax on Services collection, and improve public investment management and accountability of public service delivery in the water sector in Khyber Pakhtunkhwa.

Has the Project Development Objective been changed since Board Approval of the Project Objective?

No

Components

Name

Increasing capacity for revenue mobilization and the public financial management:(Cost \$5.25 M)

Improving public investment management and accountability in public services:(Cost \$5.25 M)

Providing effective support for the coordination of governance reforms and operational management:(Cost \$2.50 M)

Overall Ratings

Name	Previous Rating	Current Rating
Progress towards achievement of PDO	--	● Satisfactory
Overall Implementation Progress (IP)	--	● Satisfactory
Overall Risk Rating	--	● Substantial

Implementation Status and Key Decisions



The Governance and Policy Project (GPP) aims to strengthen the Government of Khyber Pakhtunkhwa (GoKP) capacity for Sales Tax on Services collection and improve public investment management and accountability of public service delivery in the water sector in KP. The Project has four components: i) increasing capacity for revenue mobilization and public financial management; ii) Improving public investment management and accountability in public services and iii) ensuring effective support for the coordination of governance reforms and the operational management of the GPP.

The GPP became effective on May 23rd, 2017 with the signature of the Grant and Project agreements and with all the effectiveness conditions met notably with the completion of the Project Operations Support Unit (OSU) key appointments. Retroactive financing available for project preparation and to jumpstart activities through government's own resources in the year before effectiveness has enabled progress and early results along the project's main components as follows:

Increasing capacity for sales tax on services (STS) collection

Khyber Pakhtunkhwa Revenue Authority (KPRA) reported revenue collection for the STS in FY 16-17 exceeds the Project's year one result target of a five percent (5%) increase over the FY15-16 baseline of PKR 7.3 billion. The amount collected will be subject to validation by a Third-Party Monitoring Agent (TPMA).

Strengthening accountability in public financial management

The GoKP has developed and disseminated a Public Financial Management (PFM) Strategy developed in consultation with all key actors.

Strengthening public investment management

- A Public Investment Management (PIM) Assessment for the district governments was completed. For this purpose, the GoKP conducted 21 focus group discussions, consulting 510 stakeholders including 107 civil society representatives, in seven districts (out of the 25), representing all divisions of KP.
- Geo-mapping of public sector assets in the water sector was piloted. The Annual Development Program (ADP) ongoing pilot in the districts of Peshawar and Mansehra has geo-tagged 105 assets and 322 ADP projects and schemes.
- PIM Instructions for China Pakistan Economic Corridor (CPEC) were disseminated. GoKP published and disseminated PIM Instructions for Line Departments and Public Sector Entities (PSEs).

Improving accountability in public services

- A third-party pilot monitoring of service delivery in the water sector was conducted. Students conducted citizen service delivery satisfaction surveys and geo-tagged 105 drinking water assets.
- Khyber Pakhtunkhwa Citizen Integration Forum and Citizen Facilitation Centers (CFC) were established. The Forum collaborated by 19 civil society organizations, is jointly led by the Right to Public Services (RTPS) Commission, the Right to Information Commission, the Ehtesab Commission, and the Peshawar High Court. The Forum encourages civil society intermediation to maximize outreach and help improve accountability for public service delivery. The Right to Public Services Commission will roll out Mardan district's citizen facilitation center pilot to six additional districts, starting with Mansehra. The CFCs aim to raise citizen awareness to access the 18 priority public services identified in the RTPS Act as well as provide grievance redressal with regard to those services.
- Secretariat for District Judiciary Performance Management (SDJPM) was initiated. The Secretariat will monitor and manage the service delivery by district judiciary, and provide on-site grievance redressal services to the citizens.

Risks

Systematic Operations Risk-rating Tool

Risk Category	Rating at Approval	Previous Rating	Current Rating
Political and Governance	● Substantial	--	● Substantial
Macroeconomic	● Substantial	--	● Substantial
Sector Strategies and Policies	● Moderate	--	● Moderate
Technical Design of Project or Program	● Moderate	--	● Moderate



Institutional Capacity for Implementation and Sustainability	● High	--	● High
Fiduciary	● High	--	● High
Environment and Social	● Substantial	--	● Low
Stakeholders	● Moderate	--	● Moderate
Other	● High	--	● High
Overall	● Substantial	--	● Substantial

Results

Project Development Objective Indicators

► Increased collection of the Sales Tax on Services (STS) (Percentage, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	7.30	--	40.00	35.00
Date	30-Jun-2016	--	01-Aug-2017	30-Jun-2020

Comments

Khyber Pakhtunkhwa Revenue Authority (KPRA) has announced a revenue collection of PKR 10.2 billion for the STS in FY 16-17, a 40% increase over the FY 15-16 baseline of PKR 7.3 billion. This amount will however be subject to verification by the soon to be hired TPMA.

► Average size of per project appropriation in the water sector included in the ADP (Amount(USD), Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	84.80	--	84.80	200.00
Date	30-Jun-2016	--	01-Aug-2017	30-Jun-2020

Comments

Actual value to be calculated from FY2016-2017 ADP.

► Number of districts where citizen feedback on WSS services is systematically collected and disseminated (Number, Custom)



	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	--	2.00	25.00
Date	16-Aug-2016	--	01-Aug-2017	30-Jun-2020
Comments Citizen feedback on WSS services collected in the districts of Peshawar and Mansehra.				

▲ Percentage of women among feedback providers (Percentage, Custom Supplement)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	--	8.00	50.00

▶ Number of districts where citizens are engaged in monitoring WSS services (Number, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	--	2.00	25.00
Date	16-Aug-2016	--	01-Aug-2017	30-Jun-2020

Comments

Students engaged in the monitoring of WSS services in Peshawar and Mansehra.

▲ Percentage of women engaged in monitoring WSS services (Percentage, Custom Supplement)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	--	33.00	5.00



► Number of officials certified in FM, procurement, project management and M&E (Number, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	--	0.00	300.00
Date	30-Jun-2016	--	01-Aug-2017	30-Jun-2021

Comments

The implementation of the certification program of public officials has not yet started

▲ Number of women certified in FM, procurement, project management and M&E (Number, Custom Breakdown)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	--	0.00	35.00
Date	30-Jun-2016	--	01-Aug-2017	30-Jun-2016

Overall Comments

As the design and implementation of more activities continue, results will become more observable in due course.

Intermediate Results Indicators

► Number of STS tax payers that filed tax returns - DLI1 (Percentage, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	578.00	--	--	40.00
Date	30-Jun-2015	--	01-Aug-2017	30-Jun-2020



► Rate of filing compliance (Percentage, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	45.00	--	45.00	80.00
Date	30-Jun-2015	--	01-Aug-2017	30-Jun-2020

► Deviation between STS revenue forecasts and actual revenue collected (Percentage, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	30.00	--	30.00	10.00
Date	30-Jun-2014	--	01-Aug-2017	30-Jun-2020

► Number of public investment assets in water sector that have been geo-mapped and published online - DLI2 (Number, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	--	105.00	500.00
Date	30-Jun-2014	--	01-Aug-2017	30-Jun-2020

Comments

105 such assets geo-mapped.

► Increased share of development projects in the water sector that are completed within original schedule (Percentage, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	20.00	--	20.00	60.00
Date	30-Jun-2016	--	--	30-Jun-2020

Comments

Data to be collected yearly by P&DD and OSU. Not yet available.



► Reduction in WSS services provided to citizens beyond the stipulated timeframe (Percentage, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	1.00	--	--	5.00
Date	16-Aug-2016	--	--	30-Jun-2020

Comments

At the time of appraisal, only 1 complaint had been received (WSS service standards have been recently issued). This data will be collected yearly (from the RTPS Commission, KP Ombudsman) and measures the percentage of WSS services provided to citizens beyond the stipulated timeframe, seeking a gradual reduction.

► M&E Reports on KP Long-term Governance Action Plan (Yes/No, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	Y	--	--	Y
Date	16-Aug-2016	--	--	30-Jun-2020

Comments

Refers to annual progress report on KP Long-term Governance Action Plan. Not yet available.

Overall Comments

Intermediate indicators related to revenue mobilization activities (number of STS tax payers that filed tax returns, rate of filing compliance and deviation between forecasts and actual revenue) to be ascertained and validated through the TPMA to soon be hired.



Data on Financial Performance

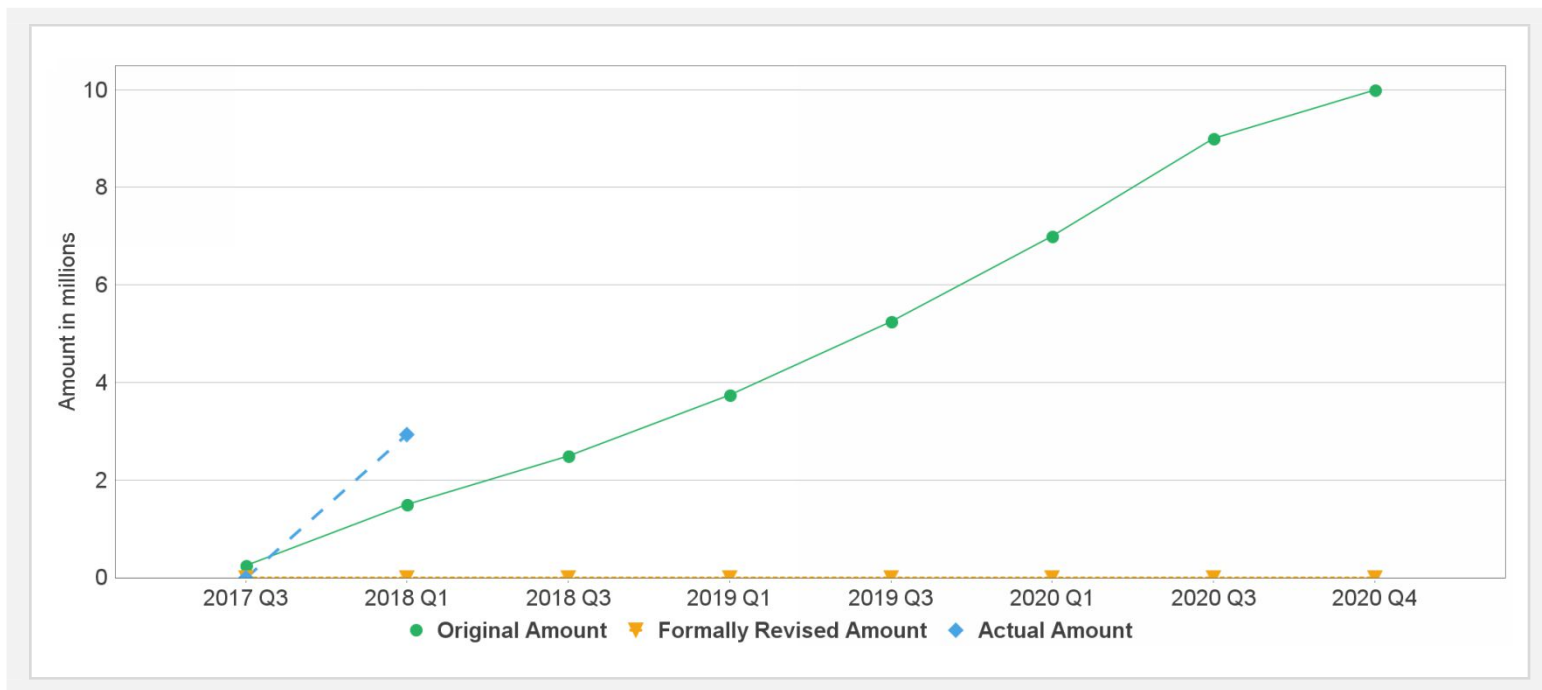
Disbursements (by loan)

Project	Loan/Credit/TF	Status	Currency	Original	Revised	Cancelled	Disbursed	Undisbursed	Disbursed
P156410	TF-A3361	Effective	USD	10.00	10.00	0.00	2.94	7.06	29%

Key Dates (by loan)

Project	Loan/Credit/TF	Status	Approval Date	Signing Date	Effectiveness Date	Orig. Closing Date	Rev. Closing Date
P156410	TF-A3361	Effective	23-May-2017	23-May-2017	23-May-2017	30-Jun-2020	30-Jun-2020

Cumulative Disbursements



Restructuring History

There has been no restructuring to date.

Related Project(s)



There are no related projects.
