



Governance and Policy Program for Balochistan (P156411)

SOUTH ASIA | Pakistan | Governance Global Practice |
Recipient Executed Activities | Investment Project Financing | FY 2017 | Seq No: 3 | ARCHIVED on 22-Jun-2018 | ISR32701 |

Implementing Agencies: Economic Affairs Division, Government of Balochistan

Key Dates

Key Project Dates

Bank Approval Date:28-Dec-2016

Effectiveness Date:06-May-2017

Planned Mid Term Review Date:30-Nov-2018

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 accountability in public financial management and public service delivery in the education and irrigation sectors in Balochistan.

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

No

Components

Name
Increasing effectiveness of sales tax collection:(Cost \$4.50 M)
Strengthening accountability in public financial management:(Cost \$4.00 M)
Improving public investment management and accountability in public services:(Cost \$5.00 M)
Ensuring effective support for the coordination of governance reforms and the operational management of the GPP:(Cost \$2.50 M)

Overall Ratings

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



Implementation Status and Key Decisions

The Governance and Policy Project (GPP) aims to strengthen the Government of Balochistan (GoB) capacity for the Sales Tax on Services (STS) collection and improve accountability in public financial management and public service delivery in the education and irrigation sectors in the province. The GPP has now been effective for one year and while most project activities are underway, some activities have been delayed due to an overall slow pace of procurements.

The Balochistan Revenue Authority continues to make good progress on the collection of the STS (component 1) with collection having largely surpassed the targets for year 1 and 2 of project implementation. Under strengthening accountability in public financial management (PFM), the GPP has provided support to the Public Accounts Committee including the hiring of auditors who have examined a substantial number of projects from past Public Sector Development Programmes (PSDPs 2008-2017) to help clear the backlog. However, a main procurement under this component, the hiring of a firm to provide Technical Assistance to various participating government institutions is delayed. Under component 3 (strengthening Public Investment Management and accountability with a focus on the irrigation and education sectors), work to conduct a PIM diagnostic and develop an action plan has not yet started. The GPP is however helping establish a China-Pakistan Economic Corridor (CPEC) Center to help manage those investments and has also supported the Ombudsman office in the holding of open courts in three districts, to be expanded to more districts in Balochistan. Pre-budget consultations have also been held in various districts to gather citizens' views and suggestions on priorities for the 2018-2019 provincial budget. Finally, on component 4, the GPP has maintained adequately and fully staffed Operations Support and Governance Reforms Support Units that are respectively providing project management and coordinating technical support for the development and implementation of the province's priority governance reforms.

The World Bank undertook an implementation support mission to Quetta in support of the GPP April 16-18, 2018 and agreed with the government on several actions to accelerate progress, including hiring an additional Procurement Officer, directly reaching out to firms that could be interested in providing technical assistance in PIM and PFM to the GPP, and accelerating the launch of the various certification programs for government officials.

Risks

Systematic Operations Risk-rating Tool

Risk Category	Rating at Approval	Previous Rating	Current Rating
Political and Governance	● Substantial	● Substantial	● Substantial
Macroeconomic	● Substantial	● Substantial	● Substantial
Sector Strategies and Policies	● Moderate	● Moderate	● Moderate
Technical Design of Project or Program	● Moderate	● Moderate	● Moderate
Institutional Capacity for Implementation and Sustainability	● High	● High	● High
Fiduciary	● High	● High	● High
Environment and Social	● Moderate	● Moderate	● Moderate
Stakeholders	● Moderate	● Moderate	● Moderate
Other	● High	● High	● High
Overall	● Substantial	● 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	2.20	111.00	115.00	40.00
Date	30-Jun-2016	30-Jun-2017	30-Mar-2018	30-Jun-2020

Comments

This indicator measures the percentage increase in the collection of the Sales Tax on Services (cumulative). Baseline of 2.2 billion PKR in STS transferred by the Federal Bureau of Revenue to Balochistan in FY2015/16 with an end target (Year 4) of a 40% increase. The province now has the mandate to collect its own STS and **collection for 2016-17 had increased by 2.4 billion rupees, representing a 111% increase from the baseline**, (verified by the third-party verification firm Deloitte Yousuf Adil). The collection for 2017-18 (as of March 2018) has increased by 115% (i.e. an increase of 2.5 billion rupees over the baseline and to be updated and verified by the third-party verification firm at the end of the FY). As the Project activities under this component fully get underway, STS receipts are expected to continue to increase with the possibility of setting higher collection targets at the project's midterm.

► Increased average appropriation per project included in the PSDP in education and irrigation sectors (Text, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	PKR 21.58 million	28.28	31 percent (28.28 million PKR)	50.00 percent
Date	30-Jun-2017	31-Oct-2017	31-Mar-2018	30-Jun-2020

Comments

Increased average appropriation per project included in the provincial Public Sector Development Programme (PSDP) in education and irrigation sectors, in Pakistani Rupees (million PKR). Baseline updated for FY2016/17 (to PKR 21.58 million from PKR 34.40 million in FY2015/16). **Average size of projects (education and irrigation) has increased to PKR 28.28 million (31 % increase) in FY2017/18 PSDP.** The GPP set targets starting in year 2 of project implementation (for the FY18/19 PSDP currently in preparation) of a 35% increase in this average appropriation, **which will thus be calculated and reported once this PSDP preparation is completed.**

► Increase in the resolved cases of education sector filed with the Office of Balochistan Ombudsman (Percentage, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	277.00	--	0.00	40.00



Date	31-Dec-2016	31-Oct-2017	31-Mar-2018	30-Jun-2020
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Comments

Percentage increase in the resolved cases of education sector filed with the Office of Balochistan Ombudsman (cumulative). Baseline of 277 resolved cases in 2014 and 219 cases resolved out of 452 education related cases in 2016 (a 48% resolution rate). The project seeks a 10% increase in resolution starting in year 2 of project implementation (2018). The resolution data will thus be collected at the end of 2018.

► Number of public investment projects/ assets in education and irrigation that have been geo-mapped and published online (Percentage, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	773.00	--	0.00	50.00
Date	30-Jun-2015	31-Oct-2017	31-Mar-2018	30-Jun-2020

Comments

The baseline of 773 corresponds to the total number of public assets mapped in FY14/15 by P&DD on a pilot basis and since discontinued. An ICT monitoring system is being developed for the Public Sector Development Program (PSDP), that will among other functions (including automating stages of the preparation and execution of the PSDP), allow for the geo-mapping of public investment projects including for the education and irrigation sector and the geo-tagging of existing assets in the irrigation sector. Its implementation will include the training of relevant officials in P&DD and line departments in the system for sustainability. The Balochistan education department has started its own geo-tagging of education assets with ways to strengthen that geo-mapping being explored with GPP.

► Number of officials with certification in FM, procurement, project preparation, project management, M&E, management & leadership (Number, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	0.00	0.00	200.00
Date	30-Jun-2015	31-Oct-2017	31-Mar-2018	30-Jun-2020

Comments

A learning strategy for the various trainings of government officials has been developed and is pending finalization by the relevant GPP authorities. The Learning strategy has set the following targets for the number of government officials to be trained (after nomination): Financial Management (77), Internal Audit (13), Procurement (30), Project Management (33), Monitoring and Evaluation (31). The Strategy



also has provisions for ensuring the participation of women officials with quotas allocated. Spearheaded by GPP Balochistan, a contract is about to be finalized with the Association of Chartered Certified Accountants (ACCA) to design and help deliver an FM certification program for the GPPs of Balochistan, KP and FATA. Further delivery will be done through the Centre of Excellence to be established through local academia and the other certifications will be delivered in partnership with relevant local institutions and academia.

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

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	0.00	0.00	20.00
Date	30-Jun-2015	31-Mar-2017	31-Mar-2018	30-Jun-2020

Overall Comments

Intermediate Results Indicators

▶ Number of STS taxpayers that filed tax returns (Percentage, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	158.00	--	548.00	30.00
Date	30-Jun-2016	30-Jun-2017	30-Jun-2017	30-Jun-2020

Comments

Measures the percentage increase in number of registered STS tax payers that filed tax returns. Baseline is of 158 filers in FY15/16. 1390 registered taxpayers were reported for FY16/17 with 1025 reported as having filed taxes, representing more than a 500% increase over the baseline. The projects seeks a 10% increase in filers starting in year 2 (FY17/18) and that data will thus be collected and reported after the end of the current fiscal year.



► Number of internal audits conducted (Number, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	1.00	1.00	50.00
Date	30-Jun-2016	31-Aug-2017	31-Mar-2018	30-Jun-2020

Comments

The internal audit function in FD (with initial staffing of an internal audit unit) is being established through the hiring of a number of experts and TA from the PFM firm (underway and at the REOI stage). Deloitte Yousuf Adil, a chartered financial accounting firm, has conducted one internal audit of the Project itself.

► Number of districts where schools and irrigation facilities are monitored with regular beneficiary feedback (Number, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	5.00	--	--	25.00
Date	30-Jun-2015	31-Oct-2017	31-Mar-2018	30-Jun-2020

Comments

The baseline corresponds to the number of districts where citizen feedback was collected on a pilot basis under the previous Governance Support Project. This activity will be embedded and implemented more systematically through a citizen feedback module of the ICT monitoring system for the PSDP being developed for the Planning and Monitoring Department and delivered in partnership with the M&E directorate, the concerned line departments and the Centre of Excellence to be established.

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

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	42.00	--	--	50.00



► Number of schools and irrigation facilities for which follow up actions are taken (Number, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	3.00	--	--	200.00
Date	30-Jun-2015	31-Oct-2017	31-Mar-2018	30-Jun-2020


Comments

See comment above on indicator on collection of beneficiary feedback on education and irrigation facilities so that follow-up actions can be taken.

Overall Comments

Data on Financial Performance

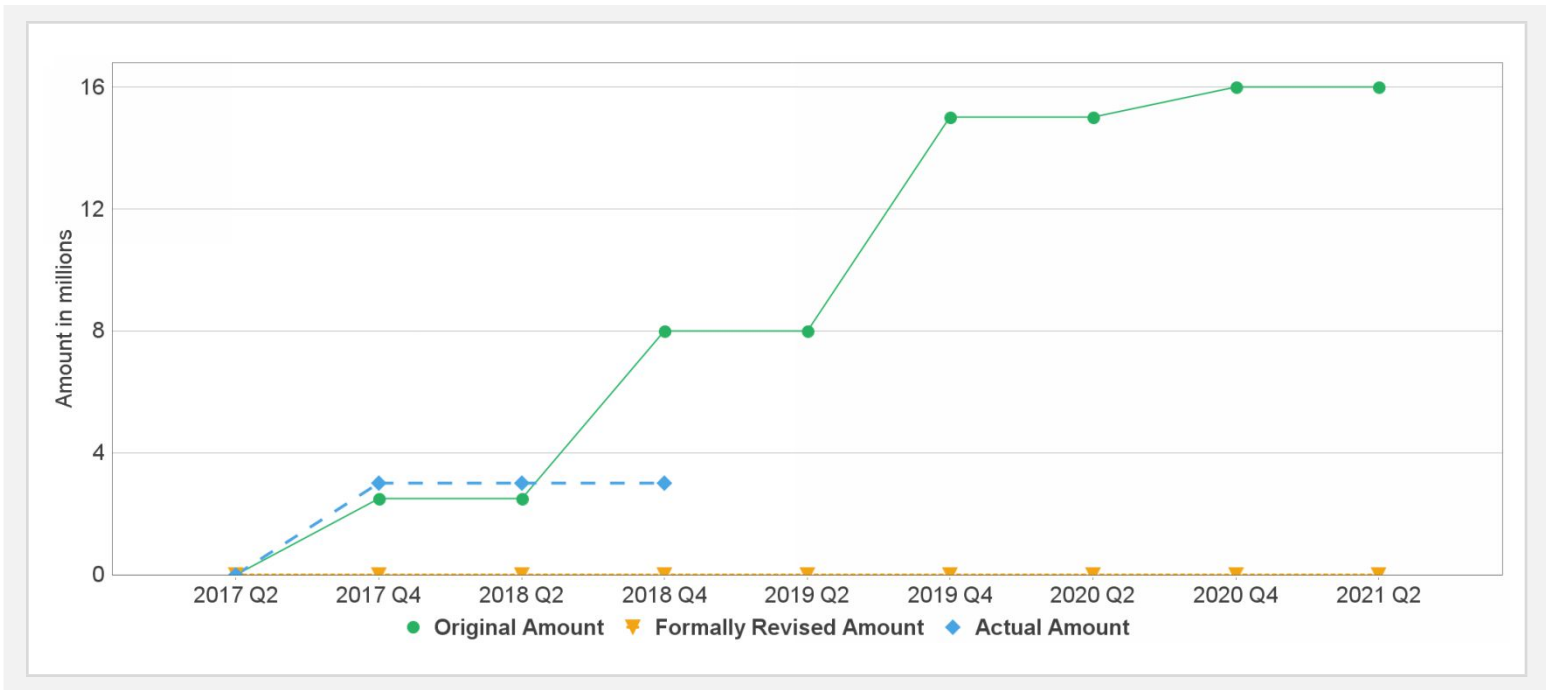
Disbursements (by loan)

Project	Loan/Credit/TF	Status	Currency	Original	Revised	Cancelled	Disbursed	Undisbursed	Disbursed
P156411	TF-A3352	Effective	USD	16.00	16.00	0.00	3.00	13.00	 19%

Key Dates (by loan)

Project	Loan/Credit/TF	Status	Approval Date	Signing Date	Effectiveness Date	Orig. Closing Date	Rev. Closing Date
P156411	TF-A3352	Effective	18-Jan-2017	18-Jan-2017	06-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.