



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: 2 | ARCHIVED on 02-Mar-2018 | ISR31596 |

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:30-Oct-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 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	● Satisfactory
Overall Implementation Progress (IP)	● Satisfactory	● Satisfactory
Overall Risk Rating	● Substantial	● Substantial

Implementation Status and Key Decisions



The Governance and Policy Project (GPP) aims to strengthen the Government of Khyber Pakhtunkhwa capacity for Sales Tax on Services collection and improve public investment management and accountability of public service delivery in KP with a focus on the water sector.

Since reaching effectiveness on May 23rd, 2017, the Project has become fully operational with a staffed Operations Support Unit and Governance Support Reforms Unit and has included a woman representative, a prominent women rights activist in KP, in the Project's Steering Committee. The GPP has made progress towards achieving its development objective with early results along its 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 FY16-17 that exceeds the Project's end year target over the FY15-16 baseline. The amount collected as well the number of STS taxpayers that filed tax returns, a Disbursement Linked Indicator, will be subject to validation by a Third-Party Monitoring Agent. GPP is also providing support to set up a tax policy unit in the Finance Department (FD).

Strengthening accountability in public financial management

The GPP is providing support to the implementation of KP's recently developed Public Financial Management Strategy notably through the setting up of a debt management unit and a corporate governance unit in FD, as well as through strengthening legislative oversight by developing the capacity of the Public Accounts Committee. A Memorandum of Understanding (MOU) has also been signed with ACCA for the certification of relevant KP public officials in Public Financial Management.

Strengthening public investment management and accountability in public services

A Public Investment Management (PIM) assessment for the district governments was completed with a proposed action plan to strengthen the Annual Development Plan process. The Planning and Development Department has under the GPP, initiated the geo-mapping of public sector projects in Peshawar and of drinking water assets in the districts of Peshawar, Mansehra and Mardan (with 323 drinking water assets and 322 ADP projects and schemes geo-tagged and published online). This geo-tagging is to be expanded to all GPP priority districts.

Citizen feedback surveys on drinking water and sanitation were undertaken in the districts of Mansehra and Mardan with a total of 692 respondents (134 women). The GPP is working with the Water and Sanitation Services Peshawar (WSSP) to replicate their Grievance Redressal/public complaints system to other companies/districts starting with Mardan and Kohat. A MOU was signed between GPP and the Water and Sanitation Companies of Peshawar, Mardan and Kohat on January 25th 2018. The geo-tagging and citizen feedback activities aim to help the Government of KP better assess and plan for citizen needs as well as address issues and complaints in order to improve service delivery in the water sector.

The GPP has also supported Peshawar High Court(PHC) to establish the Secretariat of the District Judiciary (SDJ) which aims to improve the performance of the lower courts with regards to accountability, financial management, HR management, and Monitoring & Evaluation and was inaugurated by the Chief Justice on January 9th, 2018.

The Right to Public Services Commission will roll out Mardan district's Citizen Facilitation Center pilot (CFC) to additional districts, starting with Mansehra. The CFCs aim to raise citizen awareness to access the 18 priority public services notified in the Right to Public Services Act as well as provide grievance redressal with regard to those services.

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	● Substantial	● Low	● Low



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	7.30	40.00	40.00	35.00
Date	30-Jun-2016	01-Aug-2017	15-Feb-2018	30-Jun-2020

Comments

KPRA has announced a revenue collection of PKR 10.2 billion for the STS in FY16-17, a 40% increase over the FY 15-16 baseline of PKR 7.3 billion. This amount is being verified by the TPMA which has now been hired. A potential revision of the STS collection targets will be considered at the mid-term.

► 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	84.80	200.00
Date	30-Jun-2016	01-Aug-2017	01-Aug-2017	30-Jun-2020

Comments

Actual value is currently being calculated for the FY16-17 ADP and to be reported by month end (February 2018).

► 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	2.00	25.00



Date	16-Aug-2016	01-Aug-2017	15-Feb-2018	30-Jun-2020
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Comments

Citizen feedback on WSS services was collected in the districts of Mansehra and Mardan in the first months of project implementation. A total of 692 citizens (including 134 women) provided feedback on the availability and quality of drinking water as well as basic sanitation. However, such feedback needs to be disseminated and systematically collected at least once a year and the activity extended to more districts on a priority basis.

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

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	8.00	19.40	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	2.00	25.00
Date	16-Aug-2016	01-Aug-2017	15-Feb-2018	30-Jun-2020

Comments

Fifteen (15) citizens/young professionals provided the third-party monitoring (geo-tagging and collection of beneficiary feedback) in the districts of Mardan and Mansehra, including 5 women.

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

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	33.00	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	0.00	300.00
Date	30-Jun-2016	01-Aug-2017	01-Aug-2017	30-Jun-2021

Comments

The GPP has just signed a MOU with ACCA for the FM certification of relevant government officials. KP Public Procurement Regulatory Authority has called for nominations for the online procurement trainings.

▲ 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	0.00	35.00
Date	30-Jun-2016	01-Aug-2017	01-Aug-2017	30-Jun-2016

Overall Comments

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	--	88.00	40.00
Date	30-Jun-2015	01-Aug-2017	15-Feb-2018	30-Jun-2020

Comments

1085 of 2112 registered taxpayers filed returns in FY16-17. This represents a 88% increase over the FY15 baseline and is being verified by the TPMA.



► Rate of filing compliance (Percentage, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	45.00	45.00	51.00	80.00
Date	30-Jun-2015	01-Aug-2017	15-Feb-2018	30-Jun-2020

Comments

The 1085 of 2112 registered taxpayers that filed returns in FY16-17 represents a 51% filing compliance rate. This surpasses the project's year 1 target (50%).

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

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	30.00	30.00	30.00	10.00
Date	30-Jun-2014	01-Aug-2017	15-Feb-2018	30-Jun-2020

Comments

This value will be reported for FY17-18 at the end of the fiscal year (June 2018).



► 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	323.00	500.00
Date	30-Jun-2014	01-Aug-2017	15-Feb-2018	30-Jun-2020

Comments

A total of 323 drinking water assets have been tagged in the districts of Peshawar (77), Mansehra (188) and Mardan (58). In addition, the trained YPs have tagged 322 projects and schemes in Peshawar. The P&DD Resource Centre is to carry out further tagging of projects in all districts.

► 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	20.00	60.00
Date	30-Jun-2016	--	15-Feb-2018	30-Jun-2020

Comments

Data to be collected annually and to be first reported by June 2018.

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

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	1.00	--	28.50	5.00
Date	16-Aug-2016	--	15-Feb-2018	30-Jun-2020

Comments

The baseline refers to the one complaint received at the time of project preparation when WSS standards had recently been issued. Standards for WSS services under KP RTPS Act have been issued for water connections, the supply of clean drinking water and the disposal of garbage. In 2017, 6% of water connections were provided beyond the stipulated timeframe (2 weeks) and 57% of the supply of clean drinking water was delayed. This corresponds to 28.5% of services provided beyond the stipulated standards (the target for year 1 of project implementation is 20%). Compliance with standards with regard to garbage disposal services will be captured and included in subsequent reports.



► 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	--	15-Feb-2018	30-Jun-2020


Comments

The Government of KP priorities have been shifting with the current focus on taking stock of the implementation of the current Integrated Development Strategy (ending in 2018) and developing a new IDS (2018-2023) in light of the upcoming elections. An update on this activity/indicator will be provided once there is more clarity on the government's and P&DD plan.

Overall Comments

Data on Financial Performance

Disbursements (by loan)

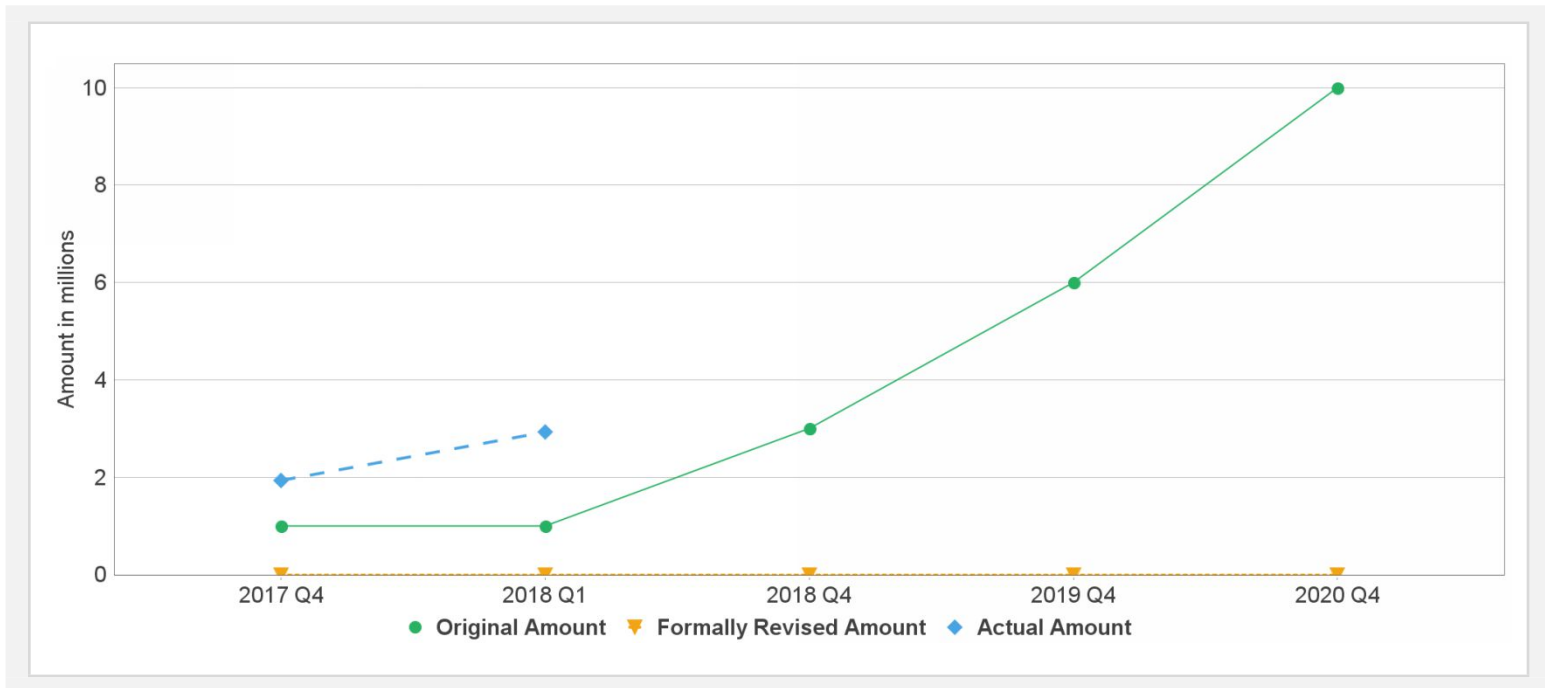
Project	Loan/Credit/TF	Status	Currency	Original	Revised	Cancelled	Disbursed	Undisbursed	Disbursed
P156410	TF-A3361	Effective	USD	10.00	10.00	0.00	2.94	7.06	 29%

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.