



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: 5 | ARCHIVED on 13-Jan-2020 | ISR39495 |

Implementing Agencies: Islamic Republic of Pakistan, 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: 28-Jan-2019

Actual Mid-Term Review Date: 15-May-2019

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	● Moderate	● Moderate

Implementation Status and Key Decisions

Component 1: Increasing capacity for revenue mobilization and public financial management: Progress in this component continues to be satisfactory. The KP Revenue Authority (KPRA) has improved its revenue collection and continues to exceed annual project targets. In FY 2018/19 KPRA collected PKR 10.4 billion, representing a 43 percent increase over the baseline PKR 7.3 billion collected in the FY2015/2016. The KPRA is therefore on track to exceed the project target of a 35 percent increase in collection by June 30, 2020.

Component 2: Improving public investment management and accountability in public services. Implementation progress under this component is also satisfactory. An action plan for improving public investment management has been prepared and now awaits Cabinet approval. An institutional assessment of the Anti-Corruption Establishment has also been completed. The project has supported capacity building



of 215 staff in project management, procurement and monitoring and evaluation. About 24 public sector employees have completed online training in basic procurement. Moreover, through a knowledge exchange program 23 officials benefited from training on best practices in public private partnership. There is satisfactory progress in citizen engagement through the Citizen Engagement Forums organized by the Right to Services Commissions (RTS). The RTS held two provincial integration forums and two district level forums during the period under review. These forums focused on improving service delivery, bringing together citizens, legislators, civil society and government officials. The Geographic Information System Lab in the Planning and Development Department continues to geo-tag all provincial government assets. Around 550 assets have been geo-tagged. Revenue increased from PKR 3.72 billion in the first half of FY18/19 to PKR 5.50 billion during the same period in FY19/20. Third party verification of the data is still underway and the confirmed figures and final results will be reported in the next Implementation Status and Results (ISR) report. Additionally, KPRA increased its outreach services through various taxpayer awareness campaigns on Sales Tax on Services. Altogether, KPRA has reached 141,000 taxpayers as of September 2019. To ensure tax compliance, KPRA has, in addition to establishing an enforcement unit, developed a mobile application to collect tax records of businesses. Similarly, the KP Public Procurement Authority (KPPRA) is also making satisfactory progress. As part of its capacity building program, KPPRA has trained 272 staff—of which 25 were women—from procurement entities in six districts in KP. The KPRA also launched a procurement certification program in collaboration with IM Sciences, Peshawar. The first phase of the program has admitted 30 participants drawn from various government entities. Finally, the Public Financial Management Professional Accreditation Program (PFM-PAP) has made progress since the pilot launch in August 2019. To date, a total of 30 participants have completed two modules in the first phase of the training.

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	● Moderate	● Moderate
Fiduciary	● High	● Moderate	● Moderate
Environment and Social	● Substantial	● Low	● Low
Stakeholders	● Moderate	● Moderate	● Moderate
Other	● High	● High	● High
Overall	● Substantial	● Moderate	● Moderate

Results

PDO Indicators by Objectives / Outcomes

Strengthen capacity for Sales Tax on Services collection				
▶ Increased collection of the Sales Tax on Services (STS) (Percentage, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target



Value	18.00	10.80	43.00	35.00
Date	30-Jun-2016	24-May-2019	02-Dec-2019	30-Jun-2020
Comments:	In FY 18/19 the KPRA collected PKR 10.41 billion compared to PKR 7.3 billion in 2015/2016. This represents a 43 percent increase. This indicator will be revised during the forthcoming restructuring to align the unit of measurement in the baseline and target.			

Improve Public Investment Management & accountability in public service delivery in water sector				
▶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	79.00	56.00	56.00	200.00
Date	30-Jun-2016	24-May-2019	02-Dec-2019	30-Jun-2020
▶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	23-May-2019	02-Dec-2019	30-Jun-2020
Comments:				
▲Percentage of women among feedback providers (Percentage, Custom Supplement)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	19.40	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	23-May-2019	02-Dec-2019	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. The project no longer measures this indicator.				
▲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	50.00
▶Number of officials certified in FM, procurement, project management and M&E (Number, Custom)				



	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	78.00	215.00	300.00
Date	30-Jun-2016	31-May-2019	02-Dec-2019	30-Jun-2021
Comments:	The procurement immersion plan has started with online trainings. About 24 officials have completed training. About 28 have completed training in Project Management, 32 in Monitoring and Evaluation and 121 in Procurement.			
▲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	28.00	28.00	35.00
Date	30-Jun-2016	24-May-2019	02-Dec-2019	30-Jun-2016

Intermediate Results Indicators by Components

Increasing capacity for revenue mobilization and the public financial management				
▶STS tax payers that filed tax returns - DLI1 (Percentage, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	578.00	30.00	30.00	40.00
Date	30-Jun-2016	23-May-2019	02-Dec-2019	30-Jun-2020
Comments:	Data for FY 18/19 is still under verification. Indicator will be formally revised to align units of measurement for the baseline and target .			
▶Rate of filing compliance (Percentage, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	45.00	76.00	75.00	80.00
Date	30-Jun-2015	23-May-2019	02-Dec-2019	30-Jun-2020
Comments:	There were 3911 registered taxpayers in 2018/19 of these, 2919 filed tax returns.			
▶Deviation between STS revenue forecasts and actual revenue collected (Percentage, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	30.00	30.00	29.00	10.00
Date	30-Jun-2014	23-May-2019	02-Dec-2019	30-Jun-2020



Improving public investment management and accountability in public services				
►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	550.00	500.00	500.00
Date	30-Jun-2014	23-May-2019	02-Dec-2019	30-Jun-2020
►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	23-May-2019	02-Dec-2019	30-Jun-2020
Comments:	Data to be collected annually and was to be first reported by June 2018, however data is 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	28.50	28.50	5.00
Date	16-Aug-2016	23-May-2019	02-Dec-2019	30-Jun-2020
Comments:	The baseline refers to the one complaint received at the time of project preparation when the Water and Sanitation Sector (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. (Garbage disposal is part of the Water and Sanitation Sector).			

Providing effective support for the coordination of governance reforms and operational management				
►M&E Reports on KP Long-term Governance Action Plan (Yes/No, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	Yes	No	No	Yes
Date	16-Aug-2016	23-May-2019	02-Dec-2019	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. This indicator is no longer necessary because GoKP dropped plans for the Governance Action Plan. A new indicator will be formulated during the upcoming restructuring.			



Data on Financial Performance

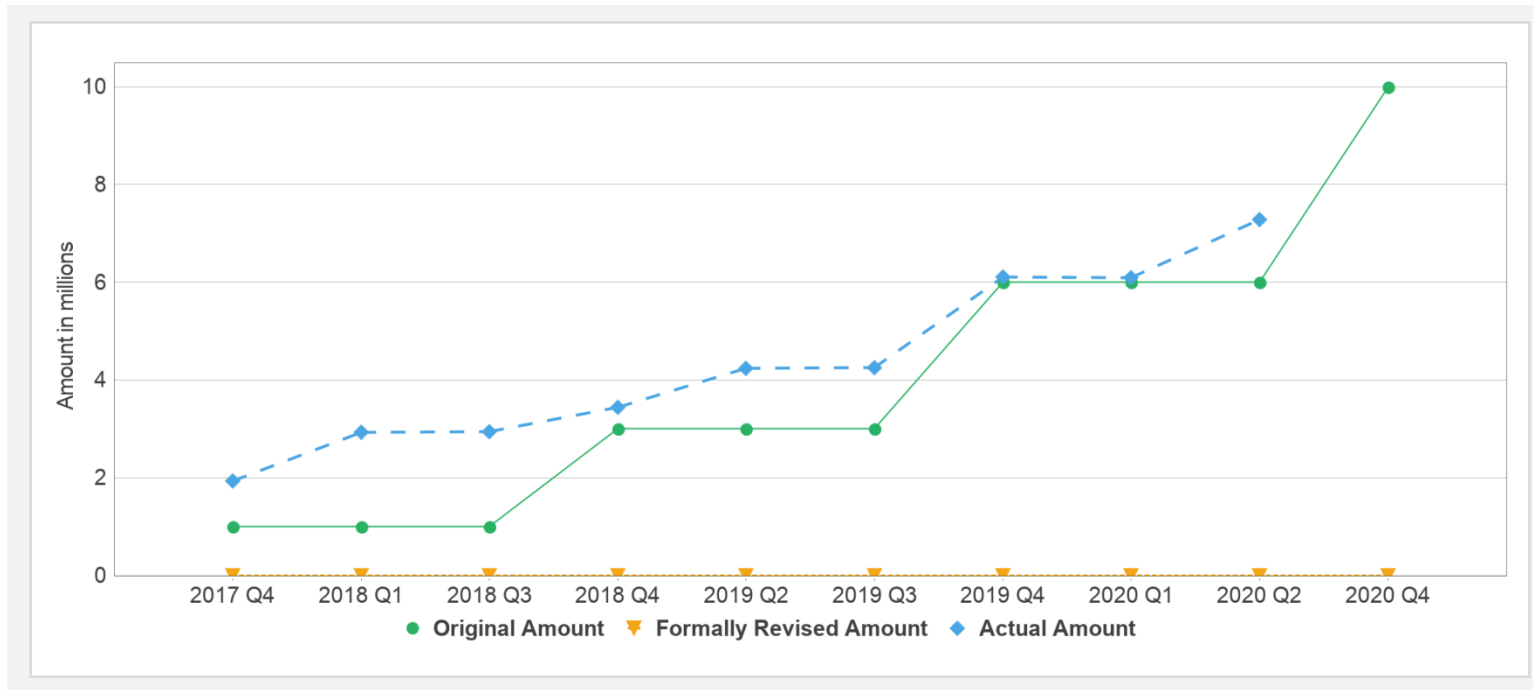
Disbursements (by loan)

Project	Loan/Credit/TF	Status	Currency	Original	Revised	Cancelled	Disbursed	Undisbursed	% Disbursed
P156410	TF-A3361	Effective	USD	10.00	10.00	0.00	7.28	2.72	73%

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)

P171659-Governance and Policy Project for Khyber Pakhtunkhwa

