



Governance and Policy Project for Balochistan (P156411)

SOUTH ASIA | Pakistan | Governance Global Practice |
Recipient Executed Activities | Investment Project Financing | FY 2017 | Seq No: 8 | ARCHIVED on 12-Apr-2021 | ISR45623 |

Implementing Agencies: Islamic Republic of Pakistan, 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-May-2019	Actual Mid-Term Review Date: 01-Aug-2019
Original Closing Date: 30-Jun-2020	Revised Closing Date: 30-Jun-2022

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?

Yes

Board Approved Revised Project Development Objective (If project is formally restructured)

To strengthen the capacity for revenue mobilization and improve public financial management and accountability for public service delivery in Balochistan

Components Table

Name
Strengthening capacity for provincial revenue mobilization and federal receipts management:(Cost \$4.50 M)
Strengthening public financial and risk 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	☐ Moderately Satisfactory	☐ Moderately Satisfactory
Overall Implementation Progress (IP)	☐ Moderately Satisfactory	☐ Moderately Satisfactory
Overall Risk Rating	☐ Substantial	☐ Substantial

Implementation Status and Key Decisions

All key project ratings remain at the same level as those reported in the previous (September 2020) Implementation Status and Results Report (ISR). Since the last ISR, there is evident traction of implementation progress. The unallocated funds in the amount of US\$4.0 million is currently being allocated and this process is expected to be completed by early April 2021.



The project was restructured in August 2020 to better align with the post-COVID development needs of the Province. The restructuring included revision of the (i) Project Development Objective (PDO); (ii) Results Framework; (iii) Project Activities; and (iv) Disbursement Categories and Projections. In collaboration with the project Operations Support Unit (OSU), the Bank team has prepared an Action Plan and a list of activities to be completed by June 2021, along with associated costs. The Bank team has put in place several measures to intensify regular engagements with relevant counterparts/OSU, and for each team members to monitor and support the counterparts in their respective thematic areas. The Bank team expects that the recently increased momentum in project implementation will be sustained until the project closes.

Risks

Systematic Operations Risk-rating Tool

Risk Category	Rating at Approval	Previous Rating	Current Rating
Political and Governance	Substantial	Substantial	Substantial
Macroeconomic	Substantial	High	High
Sector Strategies and Policies	Moderate	Moderate	Moderate
Technical Design of Project or Program	Moderate	Moderate	Moderate
Institutional Capacity for Implementation and Sustainability	High	Substantial	Substantial
Fiduciary	High	Moderate	Moderate
Environment and Social	Moderate	Low	Low
Stakeholders	Moderate	Moderate	Moderate
Other	High	High	High
Overall	Substantial	Substantial	Substantial

Results

PDO Indicators by Objectives / Outcomes

Increased effectiveness of collection of provincial tax and non-tax revenues				
► Increased collection of the province's tax revenues (Text, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	Total provincial revenue collected in FY 18/19 is PKR 8.437 Billion.	Rs. 1.32 billion.	PKR 6.1 Billion	Total provincial revenue collection is, at least, Rs. 12 Billion.
Date	29-May-2020	28-Sep-2020	29-Mar-2021	30-Jun-2022
Comments:	PKR 6.1 Billion (Sales tax on services -STS Collection) from July 2020 to March 25, 2021. Despite the closure of businesses and economic activities during this period, the current number indicates a good achievement on the part of Baluchistan Revenue Authority (BRA).			



Improving public investment management and accountability in public services				
► All public investment assets in seven divisions of the province are geo mapped and published online (Text, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	No division currently has public investment assets geo-mapped	Activity is yet to be launched by October 2020 and the contract is revised.	Total 36000+ assets have been already identified and listed for Geo-tagging in the Province.	Public investment assets in additional four divisions geo-mapped and published online
Date	29-May-2020	28-Sep-2020	29-Mar-2021	30-Jun-2022
Comments:	Geo-tagging in the Province. This exercise was a commendable effort as most of the assets had only paper records recorded in various documents. Hence the identification of the assets itself was a significant achievement. At the Pilot phase, geo-tagging of assets of Quetta & Mastung Districts (two districts) geo-tagging is in progress. In Mastung, total of 522 assets have been geo-tagged out of 560 i.e., 93 percent progress. Moreover, in Quetta ,2398 assets out of 3129 have been geo-tagged. This means that 77 percent of the total (identified) assets have already been geo-tagged in Quetta District. It is expected that by April 2021, all assets in both districts will be geo-tagged			
► Complaints resolved by the Office of the Balochistan Ombudsman (Percentage, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	55.00	55.00	79.00	70.00
Date	31-Dec-2019	28-Sep-2020	29-Mar-2021	30-Jun-2022
Comments:	As of March 29, 2021, 350 registered cases have been disposed out of 443 registered cases i.e., 79 percent of the cases have been resolved. This indicates a significant progress compared to 55 percent reported in the last two ISRs. OSU assures the Bank team that 99-100 percent target could be reached by June, 2021. The Bank team looks forward to reporting further progress in the next ISR.			

Overall Comments

Implementation progress has been steadily moving forward. One clear example is the progress of the 3 PDO indicators compared to the results reported in September 2020 IRS.

Intermediate Results Indicators by Components

Strengthening capacity for provincial revenue mobilization and federal receipts management				
► Registered Sales Tax on Services (STS) payers who filed returns in the previous year (Percentage, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target



Value	43.00	22.00	54.00	60.00
Date	29-May-2020	28-Sep-2020	29-Mar-2021	30-Jun-2022
Comments:	54 percent registered STS (sales tax on services) payers filed returns from July 2020 to February 2021. Last ISR reported a 22 percent (only for 2 months of July and August 2020) and the one before reported 43 percent.			
► Enhanced human resource capacity for tax administration (Text, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	HR/staffing and training plans are not available.	The GPP is providing technical assistance through hiring a consultant but progress still remains negligible because of the slow pace of work.	Full training plan has been finalized and is waiting for the approval of Secretary Finance. In addition, the Center of Excellence for Research Based Management (CERBM) is preparing a fresh plan for capacity needs assessment (NA) to be submitted to FD for its review and approval by early April 2021.	(i) Staffing and training plans are approved for implementation. (ii) Training provided by BRA to, at least, 45 percent of the professional staff (including women) of three tax agencies.
Date	29-May-2020	28-Sep-2020	29-Mar-2021	30-Jun-2022
Comments:	Entire training plan (100 percent) has been finalized and is waiting for the approval of Secretary Finance. This is an improvement from what was reported in the previous ISR. The capacity needs assessment of these bodies/departments has not been carried out yet. However, a fresh plan for capacity needs assessment by Center of Excellence in Research for Research Based Management (CERBM) of University of Baluchistan is currently under preparation which will be submitted to the Finance Department (FD) by early April, 2021 for its review and approval.			
► Implementation of Balochistan Revenue Mobilization Strategy (BRMS), and improved transparency of revenue performance (Text, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	BRMS and implementation Plan being prepared. Revenue performance related report/s not available.	Training material for BRMS (Baluchistan Revenue Mobilization Strategy) plan is still in development stage. progress is yet to be reported. The Department provided consent on sharing of progress on a Quarterly basis.	Baluchistan Revenue Mobilization (BRM) Plan has been prepared and is pending approval of the FD. Once the approval is received, the plan will be publicly disclosed.	FD publishes annual progress report on implementation of BRM plan, including provincial revenue performance (tax and nontax collections and federal transfers data).
Date	29-May-2020	02-Oct-2020	29-Mar-2021	30-Jun-2022
Comments:	Baluchistan Revenue Mobilization (BRM) Plan has been prepared and is pending approval of the FD.			



Once the approval is received, the plan will be publicly disclosed. While the BRM plan is not approved yet, there is progress.

Fully implemented

1. Infrastructure tax:

Under Implementation

1. Capital value tax
2. Electricity Duty
3. Motor vehicle tax
4. Urban immovable property tax

There are no separate reports on Provincial Revenue mobilization efforts. However, every year, the Government publicly discloses its Revenue mobilization plans for that year as Volume-II with the budget documents.

Strengthening public financial and risk management

► Strengthened institutional framework for investment promotion (Text, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	There is no investment profile; and no investment policy for Balochistan	There is no investment profile as yet; but currently profiling of investment opportunities is in progress and by the end of 1st Quarter, some progress could be seen.	There is no investment profile as yet; but currently profiling of investment opportunities is in progress.	Investment policy developed and approved by the Cabinet
Date	29-May-2020	28-Sep-2020	29-Mar-2021	30-Jun-2022
Comments:	The internal audit (IA) function in FD (with initial staffing of an internal audit unit) is being established through the hiring of a number of experts and technical from a PFM firm. The advertisement for hiring of a firm for sector scanning and vetting of laws of concerned sectors has been already advertised. The activity itself will take at least six months to be completed and, hence, a more reasonable/realistic estimate of the completion of this activity will be December 2021.			

► Operationalization of the established PFM reform units (Text, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	Various unit under establishment but incomplete	Establishment of Debt database is nearing completion and the 1st bulletin was published in mid-July, 2020.	Debt database has been developed and the first annual debt bulletin has been published on September, 25, 2020.	(a) Fiscal Management Unit established and has produced, at least, two quarterly debt bulletins. (b) First draft of the MTFF prepared for FY22.
Date	29-May-2020	28-Sep-2020	29-Mar-2021	30-Jun-2022
Comments:	Debt database has been developed and first annual debt bulletin has been published on September 25, 2020. The PFM Unit was established in February 2020.			



► Improved budget formulation and management process (Text, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	Existing budget formulation process is characterized by informality.	Draft budget law approved by the Cabinet.	Finance Department has assigned this duty of budget law/manual to PFM Project funded by European Union (EU).	Medium Term Fiscal Framework developed by European Union
Date	29-May-2020	28-Sep-2020	29-Mar-2021	30-Jun-2022
Comments:	Finance Department has assigned this duty of budget law/manual to Public Financial Management (PFM) Project funded by the EU.			
► Departments publishing procurement plans online (Number, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	0.00	0.00	5.00
Date	29-May-2020	02-Oct-2020	29-Mar-2021	30-Jun-2022
Comments:	Currently, there is no such practice of publishing consolidated procurement plans of any time period. Current publishing practice is of transactional nature, where every procurement is separately published as per procurement rules. However, the expected future support to Baluchistan Public Procurement Regulatory Agency (BPPRA) will most likely facilitate this requirement of publishing procurement plans online and hence this Intermediate Results Indicator may be kept a bit longer to be able to report on the progress.			

Improving public investment management and accountability in public services				
► Public sector planning function strengthened (Text, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	Inadequate system for strategic planning in the Planning and Development Department	PIM (Public Investment management) study is yet to be completed and review is in process.	Draft PIM (Public Investment management) framework & action plan have been completed by the consultant firm and is undergoing the approval process within the Planning & Development (P&D) Department. It is expected that the Action Plan will be approved in mid-April, 2021 and the Government of Baluchistan (GoB) will have a formal PIM action plan.	(i) Public Sector Investment Plan developed and approved by the Cabinet. (ii) A Public Investment Management Information System (PIMIS) established and functional.
Date	29-May-2020	02-Oct-2020	29-Mar-2021	30-Jun-2022



Comments:	<p>There is progress in this activity since the September 2020 ISR. Draft Public Investment Management (PIM) framework and action plan have been completed and are currently undergoing the approval process within the Planning & Development (P&D) Department (expected to be approved by mid-April, 2021). The subsequent step will be the adoption of a formal PIM Action Plan by the Government of Baluchistan (GoB), which will be a significant outcome supported by the project.</p> <p>In addition, there is a significant progress in the development and deployment of Public Sector Development Program (PSDP) automation since the period covered by previous ISR. There were delays in the deployment at the time but at present the automation process is moving forward as planned. Please see below some of the milestones:</p> <p>(i) PC-I to PC-V Modules have been completed. (ii) User Management including committees and forums is complete. (iii) Beta Version is live and can be accessed on (psdp.pnd.gob.pk). (iv) Initial Training of End User is imparted and was attended by 45 participants of different line departments. (vi) M&E Module is in development phase and will be completed on 31st March, 2021. Reports & dashboard will be completed till end of April, 2021. (vii) User Acceptance Testing (UAT) will be completed after deployment of all modules (before June 2021). (viii) Deployment of PSDP Automation will be completed by the end of June 2021.</p>			
<p>► Strengthened institutional framework for accountability and integrity (Text, Custom)</p>				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	Legal rules for the Anti-Corruption Establishment of Balochistan Act developed	Meetings of PAC have been scheduled for review of Audit reports.	PAC has reviewed/resolved audit reports for FY 2016-2017 (Audit year 2017-2018) and for FY 2018-2019. They will be published after the compliance by respective executing department. The audit report for FY 2019-2020 is currently under discussion.	Integrity risk audits conducted in five of the highest spending departments
Date	29-May-2020	02-Oct-2020	29-Mar-2021	30-Jun-2022
Comments:	<p>There is progress on this results indicator since the September 2020 ISR and Bank team requested GPP to expedite the required actions. At present, the Public Accounts Committee (PAC) has reviewed/resolved the audit reports for FY 2016-2017 (Audit year 2017-2018) and for FY 2018-2019. After compliance by respective executing department, the reports will be published. The audit report for the FY 2019-2020 is currently under discussion.</p>			

<p>Ensuring effective support for the coordination of governance reforms and the operational management</p>				
<p>► Public officials participating in project financed training activities (Number (Thousand), Custom)</p>				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	227.00	227.00	542.00	377.00
Date	29-May-2020	02-Oct-2020	29-Mar-2021	30-Jun-2022
Comments:	<p>There is significant progress since of the filing of the September 2020 ISR: Since July 2020, a total of 542 public officials participated/were trained in workshops and knowledge exchange visits. The details are as given below: 261 District Accounts Offices Staff trained on PFM.</p>			



194 Drawing & Disbursing Officers (DDO) attended budget preparation workshops. 65 officials participated in five training program on Gender, Evidence Based Program Design, Advanced PHP- LARAVEL, PSDP Automation and finance for Non-financial executives. 22 officials participated in three knowledge exchange during visits to sister provinces. The exchange program was 'Introduction in advanced techniques for investigation from Anti-Corruption' from Anti Corruption Establishment Board (ACEB) from Sindh, Islamabad, and Peshawar ACE offices. On female participation: The related intermediate results indicator is problematic for the following reason: For this FY 20/21, the total number of females to be trained in project financed activities is 50 and as a percentage the target for FY 20/21 is 25 percent. So far, the project has trained 27 female out of 50 and hence 54 percent. While the percentage of female is 54 percent, the total number of male trained far exceeded the target of 277 for FY 20/21. The total number of males who underwent training this FY20/21 is 542. This means the percentage of female participants out of the total of 569 (542+27) remains quite small. This is because the vast majority of District Accounts Officers (DAOs) and Drawing & Disbursement Officers (DDOs) are male. Even if the project will have 50 female participants for FY 20/21 - meeting 100 percent target set for this FY, female participation as a percentage will still be small. In short: the project has achieved 54 percent of FY 20/21 target for female participation (27/50); yet the achievement amounts to a very small percentage out of a total number of 569 participants because, as mentioned above, vast majority of DAO and DDO Officers are male. That said, the end target for female participants will most like be reached by June 2022. The 27 female officials were trained and participated in the following workshops:
(i) Six District Accounts Offices Staff were trained on PFM.
(ii) 11 DDO attended budget preparation workshops.
(iii) Ten public officials participated in five training program on Gender, Evidence Based Program Design, Advanced PHP- LARAVEL; PSDP Automation & Finance for Non-finance executives.

Public officials participating in project financed training activities (% of which are women) (Percentage, Custom Supplement)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	17.00	17.00	54.00	30.00

Performance-Based Conditions

Data on Financial Performance

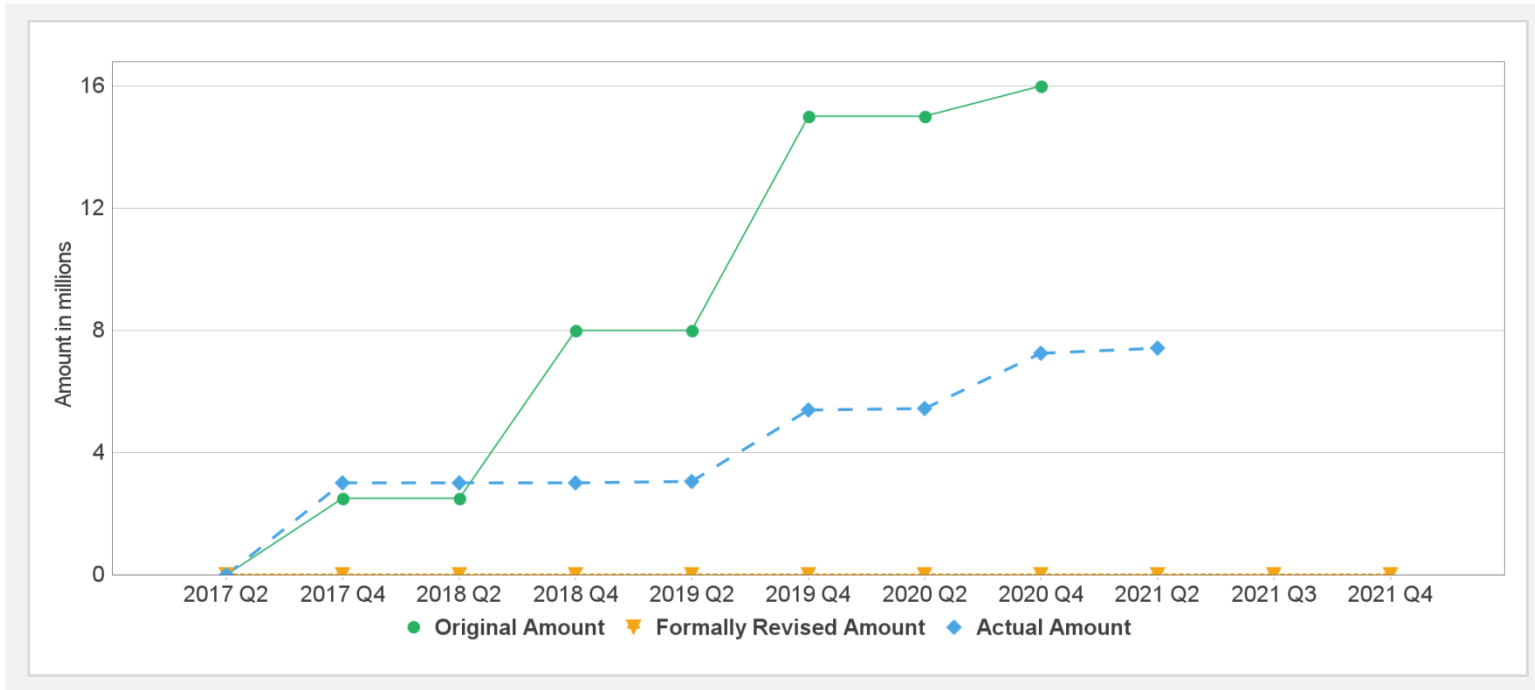
Disbursements (by loan)

Project	Loan/Credit/TF	Status	Currency	Original	Revised	Cancelled	Disbursed	Undisbursed	% Disbursed
P156411	TF-A3352	Effective	USD	16.00	16.00	0.00	7.42	8.58	46%

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-2022

Cumulative Disbursements



PBC Disbursement

PBC ID	PBC Type	Description	Coc	PBC Amount	Achievement Status	Disbursed amount in Coc	Disbursement % for PBC

Restructuring History

Level 2 Approved on 09-Jun-2020 ,Level Approved on 02-Aug-2020

Related Project(s)

There are no related projects.