



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: 6 | SUBMITTED | ISR43301 |

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-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 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?

Yes

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

To strengthen the capacity for Sales Tax on Services collection and improve public investment management and accountability for public service delivery in Khyber Pakhtunkhwa.

Components Table

Name

Increasing capacity for revenue mobilization and the public financial management:(Cost \$8.75 M)
 Improving public investment management and accountability in public services:(Cost \$8.75 M)
 Providing effective support for the coordination of governance reforms and operational management:(Cost \$3.50 M)

Overall Ratings

Name	Previous Rating	Current Rating
Progress towards achievement of PDO	<input type="checkbox"/> Satisfactory	<input type="checkbox"/> Satisfactory
Overall Implementation Progress (IP)	<input type="checkbox"/> Satisfactory	<input type="checkbox"/> Satisfactory
Overall Risk Rating	<input type="checkbox"/> Moderate	<input type="checkbox"/> Moderate

Implementation Status and Key Decisions

Overall implementation progress continues to be satisfactory and the project is on track to achieve its development objective. As a result of consistent satisfactory performance the project was granted additional financing of US\$8million. The restructuring also included (i) revision of the Project Development Objective; (ii) revision of the Results Framework; (iii) scaling up and revision of project activities; (iv) change in disbursement



categories; (v) extension of the closing date to June 30, 2020. The Additional Financing is, however, not reflected in this ISR due to an error in the Withdrawal Schedule in the Grant Agreement. The next ISR will include the correct project amount.

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 35 billion, representing a 42 percent increase over the baseline PRK 7.3 billion collected in the FY2015/16. The authority has reported collection of Rs.17.19 billion (provisional) in FY2019/20. KPRA has developed a human resource manual as well as a system for taxpayer registration and tracking of tax returns. The KPRA has further created a website for taxpayer facilitation and identified potential sectors for taxation and to broaden tax base. The project continues to support taxpayers awareness campaigns and work is underway to conduct risk-based tax audit. A total of 228 government officials participated in project financed training (of which 27 were women). The KP Procurement Authority in collaboration with the IM Sciences University launched a Diploma in Supply Chain and Public Procurement. To date, 30 government officials have been enrolled.

Component 2: Improving public investment management and accountability in public services. Implementation progress under this component is also satisfactory. The PIM action plan is now ready for approval by the PIM Core Committee. Once approved, the action plan will be implemented over the next 24 months. A Public Private Partnership (PPP) action plan for 2019-2024 has been approved and PPP Act 2019, PPP Rules 2019 and a PPP Policy Framework drafted. A total of 250 public assets in the water sector and 5,651 ADP locations (2020-2021) have been geo-tagged. Similarly, COVID quarantine centers have also been geotagged. The Performance Management Reform Unit continues to reach citizens through its Citizens' Portal which has resolved 67709 out of 81962 complaints in FY 2019/20. The Right to Public Services Commission has established an Integrated Grievance Redressal System (IGRS) to further strengthen the facilitation of resolution of complaints. To date, the IGRS has resolved 380 complaints. A Citizen Perception Survey is underway to collect feedback on selected notified services.

Risks

Systematic Operations Risk-rating Tool

Risk Category	Rating at Approval	Previous Rating	Current Rating
Political and Governance	Substantial	Substantial	Substantial
Macroeconomic	Substantial	Moderate	Moderate
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



Increasing capacity for revenue mobilization and public financial management				
► Increased collection of the Sales Tax on Services (STS) (Text, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	KPRA collected Rs. 11 billion during FY 18/19	KPRA collected Rs. 11 billion in FY18/19	KPRA collected Rs. 17.19 billion in FY19/20 (revised estimates).	KPRA targets to collect, at least, Rs. 18.0 billion in FY 21/22.
Date	28-Jun-2019	28-Jun-2019	31-Aug-2020	30-Jun-2022
Comments:	In FY2018/19 the KPRA collected PKR 10.35 billion (actual figures from civil accounts). In FY2019/20, the authority has reported a collection of Rs. 17.19 billion (revised estimates), compared to PKR 7.3 billion in FY2015/16. This represents a 135 percent increase from the baseline. This indicator has been revised to align the unit of measurement in the baseline and target.			
► Improved public financial management (Text, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	KP does not have a PFM Law as of 2020	KP does not have a PFM Law and PFM strategy is outdated	PFM law has been drafted and is currently under review. A PFM expert will be recruited in October to support the finalization of the PFM law and strategy.	PFM Law approved by the Provincial Assembly.
Date	29-May-2020	29-May-2020	31-Aug-2020	30-Jun-2022
Improving public investment management and accountability in public services				
► Reduction in total throw-forward amount in the Annual Development Plan (Text, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	Total throw forward is Rs. 420 million in FY 19/20.	Total throw forward is Rs. 420 million in FY 19/20.	Total throw forward is Rs. 727 Million in FY 20-21	At least a 15% (\$42 million) reduction in the total throwforward over FY 19/20
Date	29-May-2020	29-May-2020	31-Aug-2020	30-Jun-2022
► Citizens reporting satisfaction with selected notified services (Percentage, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	0.00	0.00	75.00
Date	29-May-2020	29-May-2020	31-Aug-2020	30-Jun-2022
Comments:	A firm has recently been recruited to initiate the Citizens' Perception Survey.			



Intermediate Results Indicators by Components

Increasing capacity for revenue mobilization and the public financial management				
► Increase in number of STS tax payers that filed tax returns (Text, Custom, PBC)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	578 taxpayers out of 1259 registered taxpayers filed returns in 2015/2016.	38 percent	32 percent	The Project Implementing Entity has increased the number of STS taxpayers filing tax returns in the Fiscal Year by a cumulative percentage of 50% above Baseline.
Date	30-Jun-2016	29-May-2020	31-Aug-2020	30-Jun-2022
Comments:	In FY2018/19, average 86% filing is reported by KPRA, whereas in FY20, it is 78% (data for FY2019/20 is provisional). This shows an increase of 40% and 32% over the baseline, during FY2018/19 and FY2019/20 respectively.			
► Increase in registered taxpayers (Number, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	7,588.00	7,588.00	11,815.00	9,106.00
Date	29-May-2020	29-May-2020	31-Aug-2020	30-Jun-2022
► 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. KPRA's total working strength is 185 (including 22 on deputation and 45 outsourced staff), against 227 sanctioned positions	HR/staffing and training plans are not available. KPRA's total working strength is 185 (including 22 on deputation and 45 outsourced staff), against 227 sanctioned positions	Training needs assessment, review of job descriptions and preparation of staffing and training plans to be initiated after approval of workplan.	Staffing and training plans are approved for implementation. KPRA has trained at least 45% of the staff (including women).
Date	29-May-2020	29-May-2020	31-Aug-2020	30-Jun-2022
► Share of taxpayers who paid any amount with returns (Percentage, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target



Value	18.00	18.00	12.00	22.00
Date	29-May-2020	29-May-2020	31-Aug-2020	30-Jun-2022
► Departments using Framework Agreements (Number, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	3.00	3.00	3.00	5.00
Date	29-May-2020	29-May-2020	31-Aug-2020	30-Jun-2022
► Procuring entities publishing procurement plans online (Number, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	27.00	27.00	29.00	37.00
Date	29-May-2020	29-May-2020	31-Aug-2020	30-Jun-2022

Improving public investment management and accountability in public services				
► Public investment schemes monitored, and results published in publicly disclosed progress reports (Percentage, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	25.00	25.00	25.00	35.00
Date	29-May-2020	29-May-2020	31-Aug-2020	30-Jun-2022
Comments:	Results have not been published till date. Results are likely to be published in the annual report.			
► Increase in Public Investment Assets that are geo-mapped and published online (Text, Custom, PBC)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	Public Investment Assets are not geomapped and not available online.	250 public assets have been geomapped and published online	250 public assets have been geomapped and published online	The Project Implementing Entity has cumulatively geomapped and published online 600 Public Investment Assets
Date	30-Jun-2016	28-Jun-2019	31-Aug-2020	30-Jun-2022
► Public Investment schemes with unapproved PC 1 prior to inclusion in the budget (Percentage, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	29.00	29.00	27.00	20.00



Date	29-May-2020	29-May-2020	31-Aug-2020	30-Jun-2022
► Citizens reporting that WSS services was provided within the stipulated time frame (Percentage, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	0.00	0.00	50.00
Date	29-May-2020	29-May-2020	31-Aug-2020	30-Jun-2022
Comments:	Findings from the Citizens' Perception Survey will inform the data for this indicator.			
► Improved legal and institutional framework for anti-corruption (Text, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	Existing legal and institutional framework for Anti-Corruption is inadequate	Existing legal and institutional framework for Anti-Corruption is inadequate	Institutional assessment completed	Action plan for rationalization of provincial government entities dealing with mandate for anti-corruption finalized and submitted for cabinet approval Draft new Anti-Corruption legislation submitted to Provincial Assembly
Date	29-May-2020	29-May-2020	31-Aug-2020	30-Jun-2022
► Complaints resolved through Pakistan Citizen Portal (Percentage, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	60.00	60.00	88.00	75.00
Date	30-Jun-2021	29-May-2020	31-Aug-2020	30-Jun-2022

Providing effective support for the coordination of governance reforms and operational management

► Public officials participating in project financed training (Number, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	463.00	463.00	506.00	820.00
Date	29-May-2020	29-May-2020	31-Aug-2020	30-Jun-2022
Comments:	Training has not yet picked up due to the COVID-19 pandemic.			



☐ Public officials participating in project financed training of which are female participants (Percentage, Custom Supplement)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	16.00	16.00	15.00	35.00

Performance-Based Conditions

Data on Financial Performance

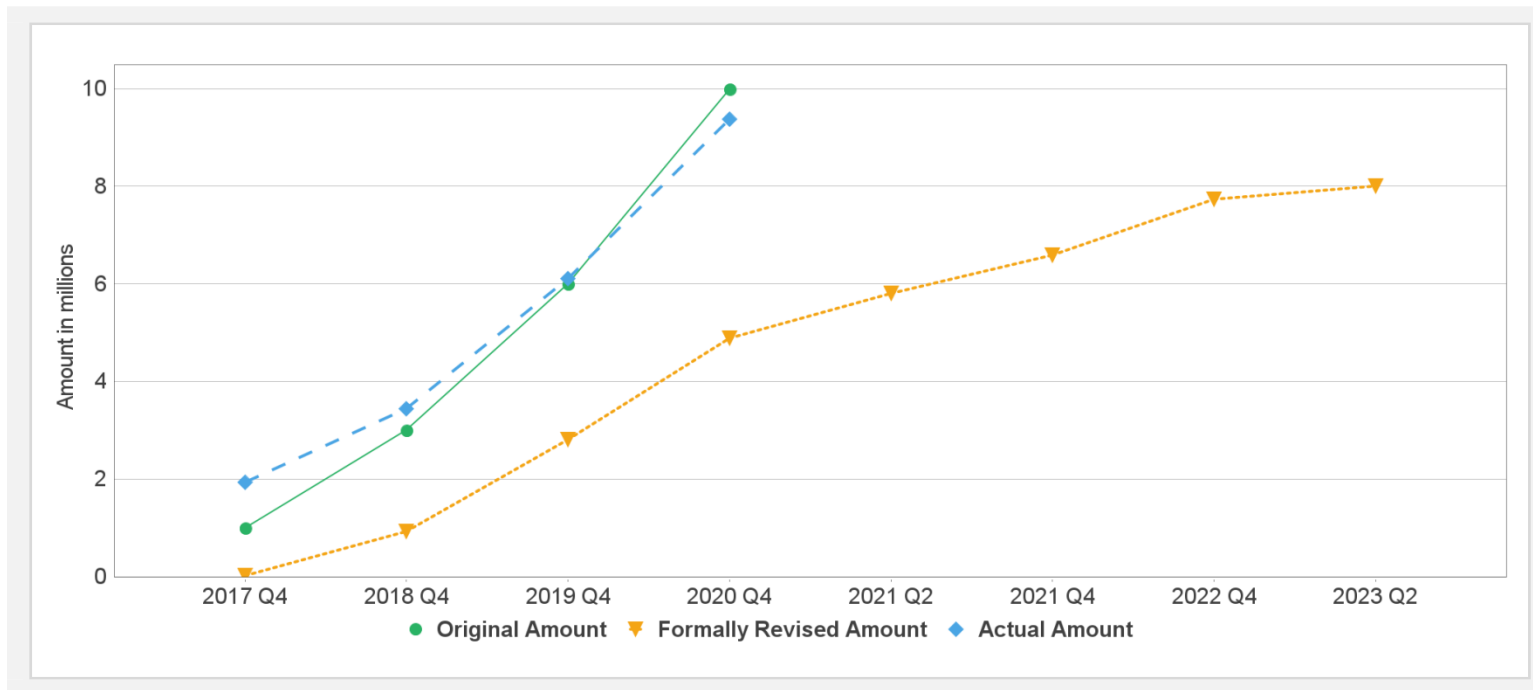
Disbursements (by loan)

Project	Loan/Credit/TF	Status	Currency	Original	Revised	Cancelled	Disbursed	Undisbursed	% Disbursed
P156410	TF-A3361	Effective	USD	10.00	10.00	0.00	9.37	0.63	94%

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-2022

Cumulative Disbursements





PBC Disbursement

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

There has been no restructuring to date.

Related Project(s)

P171659-Governance and Policy Project for Khyber Pakhtunkhwa
