



Governance and Policy Program for Balochistan (P156411)

SOUTH ASIA | Pakistan | Governance Global Practice |
Recipient Executed Activities | Investment Project Financing | FY 2017 | Seq No: 6 | ARCHIVED on 21-Mar-2020 | ISR40795 |

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-May-2019

Actual Mid-Term Review Date: 01-Aug-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 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 Table

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 | <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

Progress towards achievement of Development Objectives (DO) is rated "Satisfactory" as is the Overall Implementation Progress. The ratings have been retained because of the continued progress in implementation and the advanced progress in getting the rest of the activities underway as shown below:

Component 1: Increasing effectiveness of sales tax collection

This component is rated "Satisfactory". The Balochistan Investment Authority (BRA) has made significant progress in increasing collection of sales tax. From a baseline of PKR 2.2 billion in FY 2016/17, the BRA collected PKR 4.6 billion in FY 2019/20, already surpassing the annual target of PKR 2.75 Billion. The BRA significantly increased the number of registered STS tax payers from 158 in FY2016/17 to 3,514 in FY 2019/20. The



BRA has also organized an inter provincial revenue authorities forum for harmonization of STS and developed a provincial revenue mobilization plan.

Component 2: Strengthening accountability in public financial management

This component is rated “Satisfactory”: There has been good progress in implementation of activities under this component. The Finance Department has established a Debt Risk Investment Corporate Governance Management Unit. During the period under review, the project supported the training of 143 Drawing and Disbursing Officers on Public Financial Management (PFM). Significantly, this included a women only cohort of 79 female participants. The project has also conducted two batches of training on Public Procurement Management at the International Training Centre of ILO in Turin. An internal audit unit has been established and an internal audit charter and manual developed. The Public Financial Management Professional Accreditation Program modules developed by the Association of Chartered Certified Accountants are being finalized.

Component 3: Improving public investment management and accountability in public services

This component is rated “Moderately Satisfactory”: PIM assessment is now complete and PIM and PPP Framework developed. The project has also established PPP rules of business, which has been approved by the Cabinet. The project has continued to progress in grievance redress mechanisms and in expanding outreach to citizens. The project has convened eight open courts (Khuli Kahcheries) in eight districts. A complaint management information systems has also been set up. The automation of the Public Sector Development Program (PSDP) and data collection of investment projects across the provinces are underway. The project has established the Center of Excellence for Results Based Management at the University of Balochistan. This unit is collaborating with the Monitoring and Evaluation Unit of the Planning and Development Department to collect data to prepare the PSDP once the automation process is completed.

Component 4: Ensuring effective support for the coordination of governance reforms and the operational management of the project

Project Management is rated “Satisfactory”. The Operations Support Unit (OSU), which is responsible for day to day management of project implementation, has completed progress reports and financial reports in a timely manner as required by the Project Agreement. All the project assets are tagged. The Steering Committee has met regularly and provided guidance to project team. The last meeting of the Steering Committee was on February 7, 2020.

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 | ☐ Moderate | ☐ Low | ☐ Low |
| Stakeholders | ☐ Moderate | ☐ Moderate | ☐ Moderate |
| Other | ☐ High | ☐ High | ☐ High |
| Overall | ☐ Substantial | ☐ Moderate | ☐ Moderate |



Results

PDO Indicators by Objectives / Outcomes

| Increased effectiveness of sales tax collection | | | | |
|--|--|-------------------|------------------|-------------|
| ▶ Increased collection of the Sales Tax on Services (STS) (Percentage, Custom) | | | | |
| | Baseline | Actual (Previous) | Actual (Current) | End Target |
| Value | 220.00 | 24.00 | 109.00 | 40.00 |
| Date | 30-Jun-2016 | 27-Aug-2019 | 04-Mar-2020 | 30-Jun-2020 |
| Comments: | <p>This indicator measures the 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 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 FY 2019 is PKR 8.87 Billion, an increase of 303% over the baseline and thus exceeding the 2018 target (15 %). The collection for FY 2020 is PKR 4.602 billion, an increase of 109% over the baseline, and thus exceeding the 2019 target (40%).</p> <p>The values for baseline are incorrectly entered as PKR 220 million instead of PKR2.20 billion and targets are not expressed in the same unit. Following restructuring, the next ISR will reflect the changes</p> | | | |

| Strengthening accountability in public financial management | | | | |
|---|--|-------------------|------------------|-------------|
| ▶ 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 | 120.00 | 82.00 | 200.00 |
| Date | 30-Jun-2015 | 27-Aug-2019 | 04-Mar-2020 | 30-Jun-2020 |
| Comments: | <p>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.</p> <p>Even though several officials have participated in several training programs, the target for this indicator is an aggregate figure and does not reflect the actual achievement. It is not sufficiently specific and cannot therefore be a measure of achievements in this indicator. Baseline figures are retained for this ISR cycle. This indicator will be revised after restructuring to reflect training for each area.</p> | | | |
| □ 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 | 29.00 | 16.00 | 20.00 |
| Date | 30-Jun-2015 | 27-Aug-2019 | 04-Mar-2020 | 30-Jun-2020 |



| Improving public investment management and accountability in public services | | | | |
|--|--|--------------------------------|--------------------------------|---------------|
| ► 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 | 5.00 | 25.00 | 0.00 | 50.00 |
| Date | 30-Jun-2015 | 27-Aug-2019 | 04-Mar-2020 | 30-Jun-2020 |
| Comments: | <p>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.</p> <p>The indicator is not sufficiently specific to be measured. It will be revised and updated after restructuring.</p> | | | |
| ► 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 | 15 percent (24.68 million PKR) | 87 percent (40.33 million PKR) | 50.00 percent |
| Date | 30-Jun-2017 | 27-Aug-2019 | 04-Mar-2020 | 30-Jun-2020 |
| Comments: | <p>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).</p> <p>The formulation of this indicator differs from that of the PAD. Furthermore, the indicator is not sufficiently formulated to derive an accurate measure of achievement. It will be revised and updated after restructuring.</p> | | | |
| ► 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 | 26.71 | 54.00 | 40.00 |
| Date | 31-Dec-2016 | 27-Aug-2019 | 04-Mar-2020 | 30-Jun-2020 |
| Comments: | <p>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).</p> <p>The formulation of this indicator differs from that of the PAD. It also does not accurately measure the achievement of the Office of the Balochistan Ombudsman in the resolution of cases. The indicator will be revised after restructuring.</p> | | | |

Intermediate Results Indicators by Components



| Strengthening accountability in public financial management | | | | |
|---|--|-------------------|------------------|-------------|
| ▶ 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 | 27-Aug-2019 | 04-Mar-2020 | 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. | | | |

| Increasing effectiveness of sales tax collection | | | | |
|---|--|-------------------|------------------|-------------|
| ▶ Number of STS taxpayers that filed tax returns (Percentage, Custom) | | | | |
| | Baseline | Actual (Previous) | Actual (Current) | End Target |
| Value | 158.00 | 46.00 | 61.00 | 30.00 |
| Date | 30-Jun-2016 | 27-Aug-2019 | 04-Mar-2020 | 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. During July 2018 to December 2018, 1,667 tax payer filed tax returns. Till date, there are 3514 active registered tax payers who have filed tax returns. The indicator will be revised because the unit of measurement of the baseline differs from that of the target. Values for this ISR cycles represents percent increase. This indicator will be revised and updated after restructuring so that baseline and target values are in the same unit. | | | |

| Improving public investment management and accountability in public services | | | | |
|--|--|-------------------|------------------|-------------|
| ▶ 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 | 0.00 | 0.00 | 25.00 |
| Date | 30-Jun-2015 | 27-Aug-2019 | 04-Mar-2020 | 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 recently established Centre of Excellence. The target is an aggregate figure and does not reflect the actual achievement. This indicator will be re-formulated to specifically measure beneficiary feedback in schools and irrigation facilities separately. | | | |



| □ Percentage of women among feedback providers (Percentage, Custom Supplement) | | | | |
|--|--|-------------------|------------------|-------------|
| | Baseline | Actual (Previous) | Actual (Current) | End Target |
| Value | 42.00 | 42.00 | 0.00 | 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 | 0.00 | 0.00 | 200.00 |
| Date | 30-Jun-2015 | 27-Aug-2019 | 04-Mar-2020 | 30-Jun-2020 |
| Comments: | Data collection for this indicator has not started. This indicator will be re-formulated to specifically measure targets in schools and irrigation facilities separately. | | | |

Data on Financial Performance

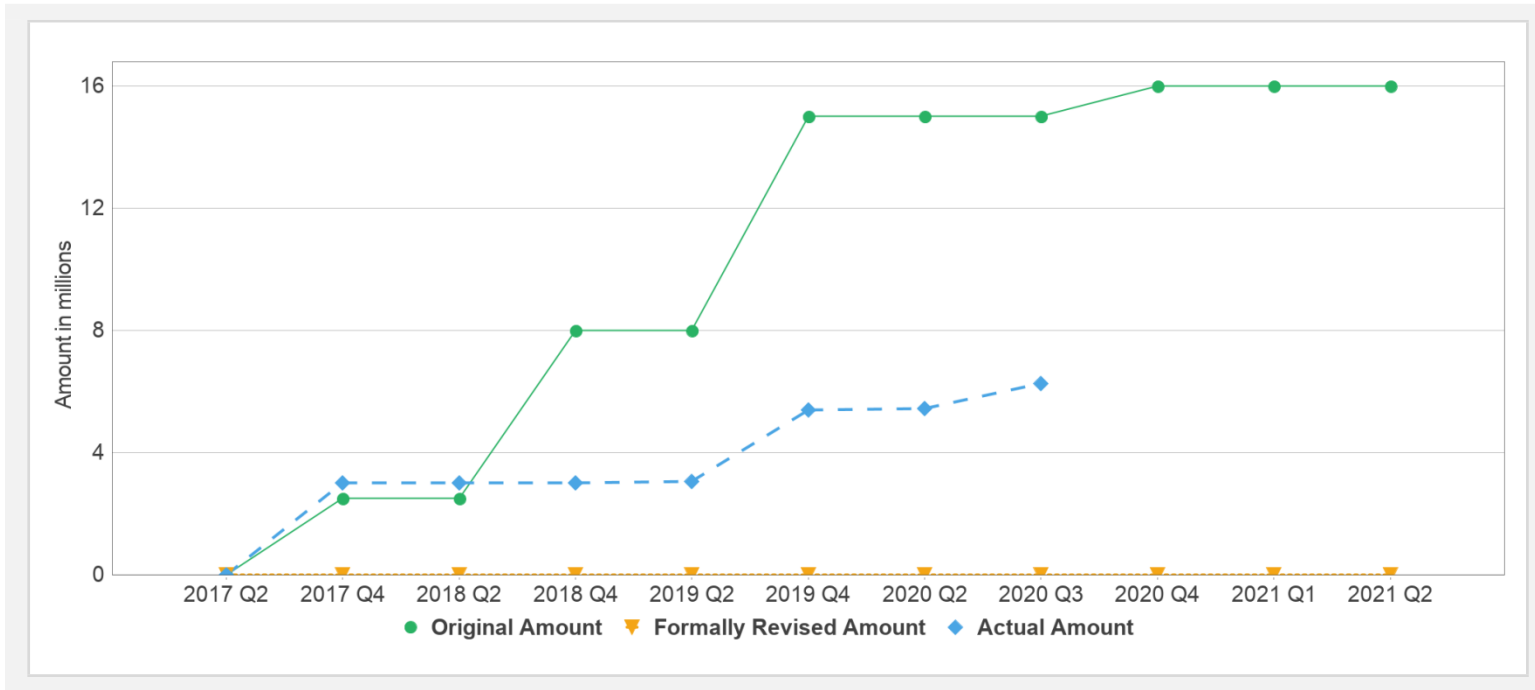
Disbursements (by loan)

| Project | Loan/Credit/TF | Status | Currency | Original | Revised | Cancelled | Disbursed | Undisbursed | % Disbursed |
|---------|----------------|-----------|----------|----------|---------|-----------|-----------|-------------|-------------|
| P156411 | TF-A3352 | Effective | USD | 16.00 | 16.00 | 0.00 | 6.25 | 9.75 | 39% |

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.