



## Governance and Policy Project for Balochistan (P156411)

SOUTH ASIA | Pakistan | Governance Global Practice |  
Recipient Executed Activities | Investment Project Financing | FY 2017 | Seq No: 7 | ARCHIVED on 08-Oct-2020 | ISR43620 |

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	<input type="checkbox"/> Satisfactory	<input type="checkbox"/> Moderately Satisfactory
Overall Implementation Progress (IP)	<input type="checkbox"/> Satisfactory	<input type="checkbox"/> Moderately Satisfactory
Overall Risk Rating	<input type="checkbox"/> Moderate	<input type="checkbox"/> Substantial

### Implementation Status and Key Decisions

All key project ratings are revised downward from Satisfactory to Moderately Satisfactory except the one on coordination of reforms of the GPP. Most of the delay in meeting several important indicators could be attributed to Covid-19.



The project was restructured in August 2020 to better align with the post-COVID development needs of the Province. The restructuring included the revision of the (i) PDO (Project Development Objective); (ii) Results Framework; (iii) Project Activities; and (iv) Disbursement Categories and Projections. It is expected that this restructuring will provide an impetus to expedite the implementation of some of the key project activities. Bank team, in collaboration with the project OSU (Operations Support Unit) prepared an Action Plan and a list of activities to be completed within the next 6 months and the associated cost of each of the activities. This list will provide the Bank team a template for bi-weekly monitoring (via WebEx with the OSU-Operations Support Unit) of their implementation progress. Next ISR will include an assessment of the progress made in each of the 4 project components.

## Risks

### Systematic Operations Risk-rating Tool

Risk Category	Rating at Approval	Previous Rating	Current Rating
Political and Governance	Substantial	Substantial	Substantial
Macroeconomic	Substantial	Substantial	High
Sector Strategies and Policies	Moderate	Moderate	Moderate
Technical Design of Project or Program	Moderate	Moderate	Moderate
Institutional Capacity for Implementation and Sustainability	High	Moderate	Substantial
Fiduciary	High	Moderate	Moderate
Environment and Social	Moderate	Low	Low
Stakeholders	Moderate	Moderate	Moderate
Other	High	High	High
Overall	Substantial	Moderate	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.	Total provincial revenue collected in FY 18/19 is PKR 8.437 Billion.	Rs. 1.32 billion.	Total provincial revenue collection is, at least, Rs. 12 Billion.
Date	29-May-2020	29-May-2020	28-Sep-2020	30-Jun-2022
Comments:	PKR 1.32 Billion of STS (Sales Tax on Services) collected and the rest of sources will share data by close of FY 2020-21.			



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	No division currently has public investment assets geo-mapped	Activity is yet to be launched by October 2020 and the contract is revised.	Public investment assets in additional four divisions geo-mapped and published online
Date	29-May-2020	29-May-2020	28-Sep-2020	30-Jun-2022
▶ Complaints resolved by the Office of the Balochistan Ombudsman (Percentage, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	55.00	55.00	55.00	70.00
Date	31-Dec-2019	31-Dec-2019	28-Sep-2020	30-Jun-2022
Comments:	Previous ISR reported 55 but at present, the Provincial Ombudsman Office could not provide any update because the system of complain registration encountered some damage during the COVID-19 and suspended Public Hearing since March 2020.			

### 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	43.00	22.00	60.00
Date	29-May-2020	29-May-2020	28-Sep-2020	30-Jun-2022
Comments:	Last ISR reported 43%. An average of 22% registered STS payers filed in just the two months of July and August 2020.			
▶ 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.	HR/staffing and training plans are not available.	The GPP is providing technical assistance through hiring a	(i) Staffing and training plans are approved for implementation.



			consultant but progress still remains negligible because of the slow pace of work.	(ii) Training provided by BRA to, at least, 45 percent of the professional staff (including women) of three tax agencies.
Date	29-May-2020	29-May-2020	28-Sep-2020	30-Jun-2022
Comments:	The GPP provides the technical assistance through hiring of a consultant. However, progress is negligible yet because of slow pace of work. Bank team advised the GPP to expedite the progress which will be assessed during the next ISR in 6 months.			
<b>► Implementation of Balochistan Revenue Mobilization Strategy (BRMS), and improved transparency of revenue performance (Text, Custom)</b>				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	BRMS and implementation Plan being prepared. Revenue performance related report/s not available.	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.	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	29-May-2020	02-Oct-2020	30-Jun-2022

<b>Strengthening public financial and risk management</b>				
<b>► Strengthened institutional framework for investment promotion (Text, Custom)</b>				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	There is no investment profile; and no investment policy for Balochistan	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.	Investment policy developed and approved by the Cabinet
Date	29-May-2020	29-May-2020	28-Sep-2020	30-Jun-2022
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.			
<b>► Operationalization of the established PFM reform units (Text, Custom)</b>				
	Baseline	Actual (Previous)	Actual (Current)	End Target



Value	Various unit under establishment but incomplete	Some units exist but functional roles and management structure not clear.	Establishment of Debt database is nearing completion and the 1st bulletin was published in mid-July, 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	29-May-2020	28-Sep-2020	30-Jun-2022
<b>► Improved budget formulation and management process (Text, Custom)</b>				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	Existing budget formulation process is characterized by informality.	Existing budget formulation process is characterized by informality.	Draft budget law approved by the Cabinet.	Medium Term Fiscal Framework developed
Date	29-May-2020	29-May-2020	28-Sep-2020	30-Jun-2022
<b>► Departments publishing procurement plans online (Number, Custom)</b>				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	0.00	0.00	5.00
Date	29-May-2020	29-May-2020	02-Oct-2020	30-Jun-2022
Comments:	Technical support in this area is yet to start and till last Quarter of the FY, no progress is made in publishing the Procurement Plan.			

<b>Improving public investment management and accountability in public services</b>				
<b>► Public sector planning function strengthened (Text, Custom)</b>				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	Inadequate system for strategic planning in the Planning and Development Department	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.	(i) Public Sector Investment Plan developed and approved by the Cabinet.  (ii) A Public Investment Management Information System established and functional.
Date	29-May-2020	29-May-2020	02-Oct-2020	30-Jun-2022



Completion of PIM study yet to be completed and review is in process. This results area is delayed and the Bank team has requested to expedite the progress.

Comments:

► Strengthened institutional framework for accountability and integrity (Text, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	Legal rules for the Anti-Corruption Establishment of Balochistan Act developed	Legal rules for the Anti-Corruption Establishment of Balochistan Act developed	Meetings of PAC have been scheduled for review of Audit reports.	Integrity risk audits conducted in five of the highest spending departments
Date	29-May-2020	29-May-2020	02-Oct-2020	30-Jun-2022

Comments: Meetings of Public Accounts Committee (PAC) have been scheduled for review of Audit reports. the target is for PAC to resolve 75 percent of pending audit reports and this indicator is significantly delayed. Bank team has flagged this one to GPP and requested to expedite the review to meet the target.

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

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

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	227.00	227.00	227.00	377.00
Date	29-May-2020	29-May-2020	02-Oct-2020	30-Jun-2022

Comments: Target for the year is 50 officials and the planning and identification of participants is currently in process. 25% participation of female officials will be considered for trainings for the FY2020-21.

□ 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	17.00	30.00

## Performance-Based Conditions

### Data on Financial Performance

#### Disbursements (by loan)

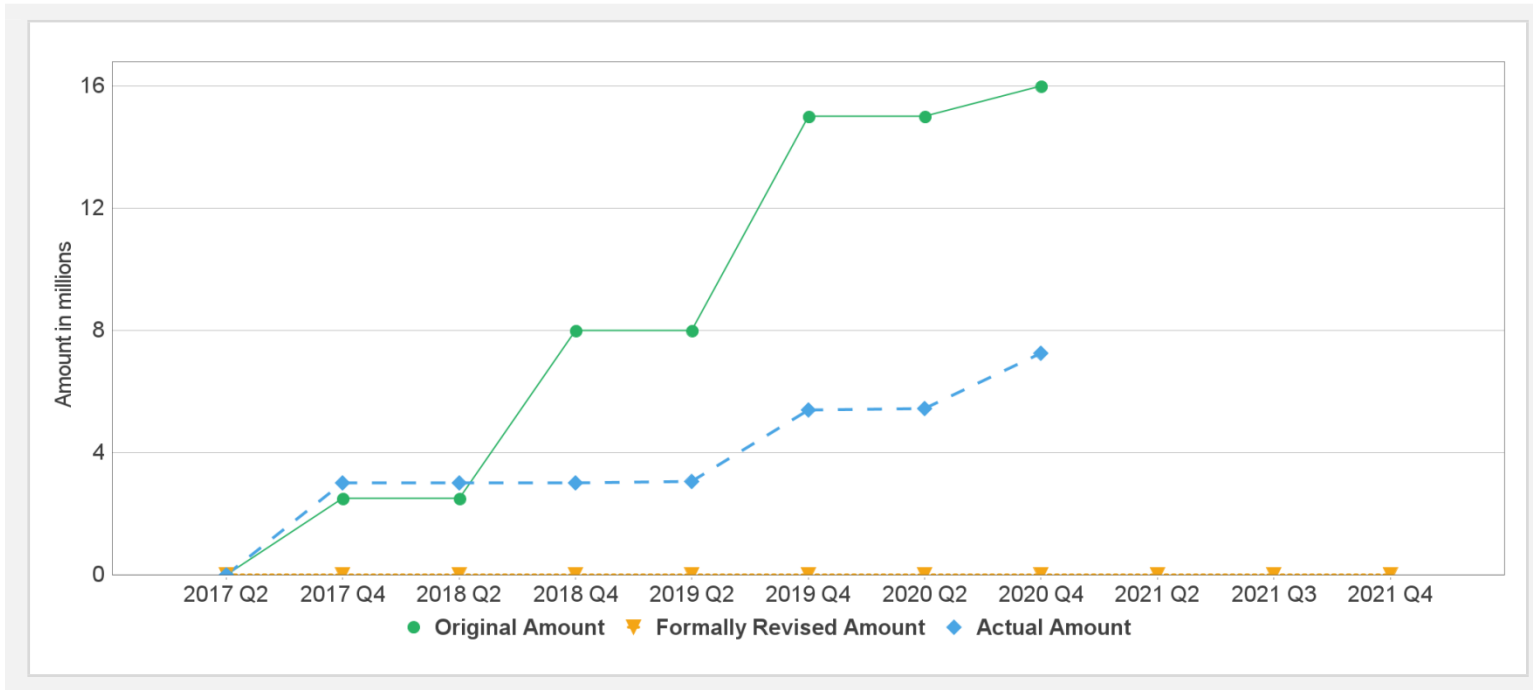
Project	Loan/Credit/TF	Status	Currency	Original	Revised	Cancelled	Disbursed	Undisbursed	% Disbursed
P156411	TF-A3352	Effective	USD	16.00	16.00	0.00	7.25	8.75	45%

#### 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 02-Aug-2020

**Related Project(s)**

There are no related projects.