



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: 7 | ARCHIVED on 28-Apr-2021 | ISR46307 |

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-2022

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"/> Low

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 (approved in July 2020) and was restructured to process (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; and (v) extension of the closing date to June 30, 2022.



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. The KPRA has reported collection of Rs.14.5 billion during July 2020 - March 2021. This is based on expanded tax base (14,310 registered taxpayers) and some improvement in business activity compared to the previous year. However, small businesses are reported to have been largely affected by COVID-19 related restrictions. The filing frequency in FY20 was 83 percent, and 10 percent of filers paid any tax amount with returns. During the ongoing year, KPRA is planning to conduct a survey to map businesses in Mardan and South Region, which will help inform policy decisions to expand tax base. For enhanced tax vigilance in key sectors, the oil and gas sector notes have been developed to prepare audit guidelines for KPRA, while preparation of mines and minerals sector notes are in process. Further support for KPRA's Enterprise Resource Planning infrastructure/software (selected modules) is being discussed to help improve internal organizational planning and monitoring. The project is also helping strengthen KPRA's appellate tribunal, establish digital library, and support taxpayer facilitation and information activities by providing staffing provision for field offices and media campaign. All these activities will help strengthen tax administration at KPRA. The KP Procurement Authority launched its website which displays information on tenders and contract awards while also offering a platform for grievance redressal. The PFM law has been drafted and submitted to the Cabinet for approval. A draft strategy has also been prepared.

Component 2: Improving public investment management (PIM) and accountability in public services. Implementation progress under this component is also satisfactory. The PIM action plan was approved by the PIM Core Committee in December 2020. A PIM Unit has been established to implement this action plan. As a first step, the GoKP has designed training modules on planning and conducted a first round of training for 97 officers working on project management. These trainings will help build a technically strong cohort proficient in all stages of the project cycle. The third phase of the Public Private Partnership (PPP) training to provide certification to PPP specialists is also complete. When fully completed, it is expected that trained professionals will have the foundation to help implement PPP reforms under the new PPP Act 2020. Following an institutional assessment of Anti-Corruption Establishment, the KP Anti-Corruption Agency Act, 2020 has been drafted. The Integrated Grievance Redressal Mechanism—which includes the Chief Minister's Grievance Redress Cell—has resolved around 96 percent of its cases i.e. 517 out of 535 registered complaints. A Citizens' Perception Survey was conducted and its findings analyzed. The Institute of Management Sciences is currently finalizing the report. Work is underway to develop a Wheat Management Strategic Plan that will assist the GoKP in planning and making decisions on wheat procurement, storage, price control, import and transportation. The Planning and Development Department is also developing an Integrated Information Management System for implementation of Annual Development Plan projects. Upon the successful implementation of its Case Management Information System, the Secretariat for District Judiciary is in the process of establishing a Data Analysis Wing. The Right to Information Commission has trained 60 investigating officers and established offices in four Divisional headquarters at Abbottabad, Dera, Ismail Khan and Swat. KP Ombudsperson's Office has established a facilitation center and a Toll free number. It also held a provincial conference successfully to raise awareness on the Protection against Harassment of Women at the Workplace Act Code of Conduct.

Risks

Systematic Operations Risk-rating Tool

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



Overall □ Substantial □ Moderate □ Low

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. 17.19 billion in FY19/20 (revised estimates).	KPRA collected PKR14.5 billion during July 2020-March 2021.	KPRA targets to collect, at least, Rs. 18.0 billion in FY 21/22.
Date	28-Jun-2019	31-Aug-2020	14-Apr-2021	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 PKR13.09 billion, and during ongoing fiscal year (July 2020 – March 2021), the authority has collected 14.5 billion. 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	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 has been drafted and is currently under review by a PFM expert. The PFM Strategy has been revised and submitted for approval.	PFM Law approved by the Provincial Assembly.
Date	29-May-2020	31-Aug-2020	14-Apr-2021	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. 727 Million in FY 20-21	Total throw forward is Rs. 727 million for FY 20-21	At least a 15% (\$42 million) reduction in the total throwforward over FY 19/20
Date	29-May-2020	31-Aug-2020	14-Apr-2021	30-Jun-2022
Comments:	The actual data (Rs.727million) includes merged areas whereas the original calculation for the baseline did not.			



► Citizens reporting satisfaction with selected notified services (Percentage, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	0.00	65.00	75.00
Date	29-May-2020	31-Aug-2020	14-Apr-2021	30-Jun-2022
Comments:	The Citizens' Perception Survey is complete and a draft report is currently under review.			

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.	32 percent	A total of 7,795 tax payers filed their returns during the year 2019/2020.	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	31-Aug-2020	14-Apr-2021	30-Jun-2022
Comments:	The indicator was revised during restructuring to ensure consistency between the baseline and target (measuring cumulative increase in over the baseline).			
► Increase in registered taxpayers (Number, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	7,588.00	11,815.00	14,310.00	9,106.00
Date	29-May-2020	31-Aug-2020	16-Apr-2021	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	Training needs assessment, review of job descriptions and preparation of staffing and training plans to be initiated after approval of workplan.	Concept note of Training needs assessment is under preparation.	Staffing and training plans are approved for implementation. KPRA has trained at least 45% of the staff (including women).



	outsourced staff), against 227 sanctioned positions			
Date	29-May-2020	31-Aug-2020	14-Apr-2021	30-Jun-2022
	► Share of taxpayers who paid any amount with returns (Percentage, Custom)			
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	18.00	12.00	10.00	22.00
Date	29-May-2020	31-Aug-2020	14-Apr-2021	30-Jun-2022
	► Departments using Framework Agreements (Number, Custom)			
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	3.00	3.00	7.00	5.00
Date	29-May-2020	31-Aug-2020	14-Apr-2021	30-Jun-2022
	► Procuring entities publishing procurement plans online (Number, Custom)			
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	27.00	29.00	13.00	37.00
Date	29-May-2020	31-Aug-2020	14-Apr-2021	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	23.00	35.00
Date	29-May-2020	31-Aug-2020	14-Apr-2021	30-Jun-2022
Comments:	Results have been published on the Planning and Development Department (P&DD) website: https://pndkp.gov.pk/monitoring-evaluation/			
	► 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	31-Aug-2020	14-Apr-2021	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	27.00	27.00	20.00
Date	29-May-2020	31-Aug-2020	14-Apr-2021	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	57.00	50.00
Date	29-May-2020	31-Aug-2020	14-Apr-2021	30-Jun-2022
Comments:	Data for this indicator has been derived from the Citizens' Perception Survey.			
► 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	Institutional assessment completed	Institutional assessment completed and new Anti-Corruption legislation drafted.	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	31-Aug-2020	14-Apr-2021	30-Jun-2022
► Complaints resolved through Pakistan Citizen Portal (Percentage, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	60.00	88.00	84.00	75.00
Date	30-Jun-2021	31-Aug-2020	14-Apr-2021	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	506.00	730.00	820.00
Date	29-May-2020	31-Aug-2020	14-Apr-2021	30-Jun-2022
□ 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	15.00	20.00	35.00

Performance-Based Conditions

Data on Financial Performance

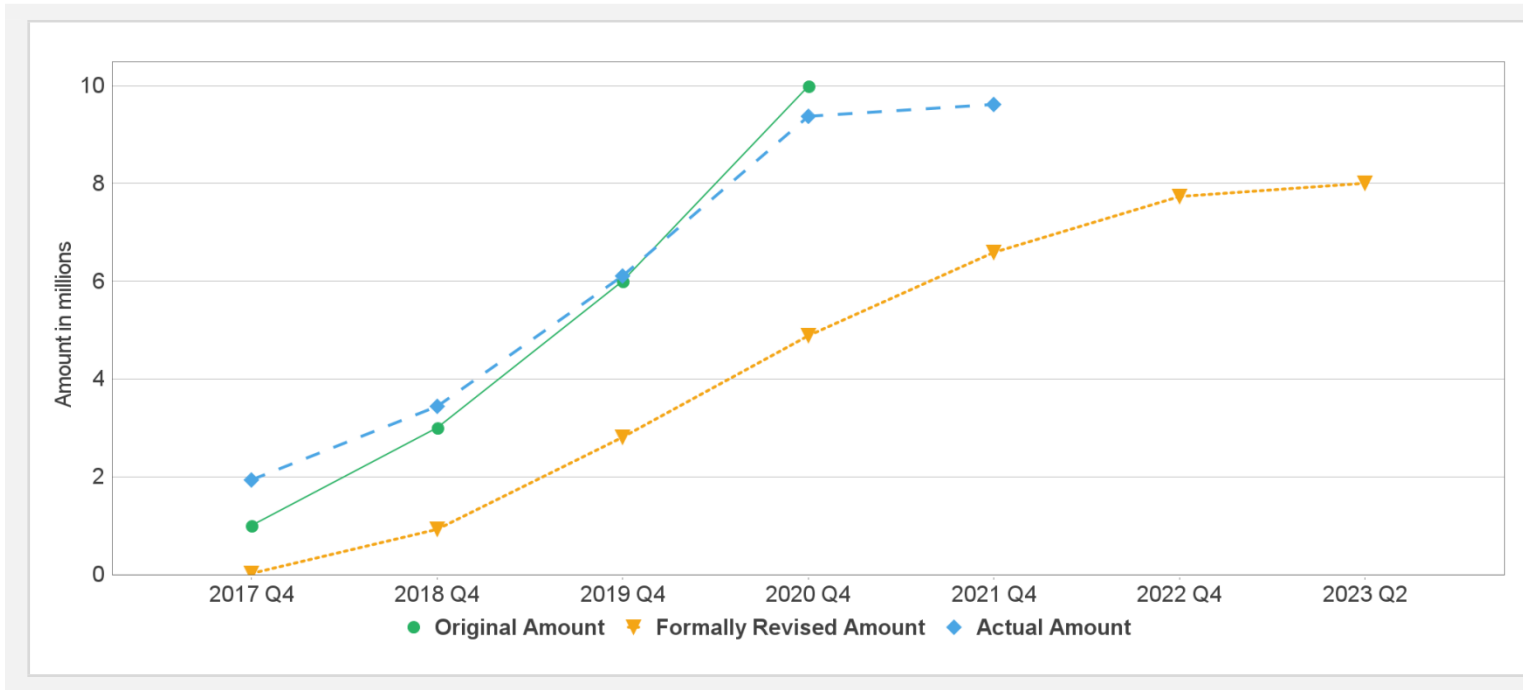
Disbursements (by loan)

Project	Loan/Credit/TF	Status	Currency	Original	Revised	Cancelled	Disbursed	Undisbursed	% Disbursed
P156410	TF-A3361	Effective	USD	10.00	10.00	0.00	9.62	0.38	96%
P156410	TF-B3385	Effective	USD	8.00	8.00	0.00	0.00	8.00	0%

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
P156410	TF-B3385	Effective	09-Jul-2020	15-Jul-2020	12-Oct-2020	30-Jun-2022	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

There has been no restructuring to date.

Related Project(s)

P171659-Governance and Policy Project for Khyber Pakhtunkhwa