



## 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: 9 | ARCHIVED on 29-Jun-2022 | ISR49504 |

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"/> Low	<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 on this component continues to be satisfactory. General Sales Tax on Services (GSTS) collection of Khyber Pakhtunkhwa (KP) increased from PKR 7.3 billion in FY 2015/16 to PKR 26.5 billion in FY 21/22. There has also been an increase in registered taxpayers from 14,310 in April 2021 to 17,522 in May 2022. The project has been supporting the strengthening of KP Revenue Authority's (KPRA) appellate tribunal and has helped establish a court room at the collector's office. KPRA has also conducted a training for withholding tax agents and will conduct more trainings in remainder of FY22. The project continues to support taxpayers facilitation and awareness campaigns. The project is also supporting the implementation of an Enterprise Resource Planning (ERP) system in KPRA. The KP Procurement Authority (KPPRA) has developed an E-procurement software and conducted a diagnostic study in five districts on transformation to digitized procurement system. KPPRA has also launched its website which displays information on tenders and contract awards while also offering a platform for grievance redressal. The Public Financial Management (PFM) law has been approved by the Cabinet in June 2022.

**Component 2: Improving public investment management (PIM) and accountability in public services.** Implementation progress under this component is also satisfactory. The PIM Unit has developed a Planning Manual. Following the completion of a Training Needs Assessment (TNA), the Planning and Development Department (P&DD) has prepared a training manual on project cycle management which was used to train 148 public officials including 20 female staff. The Public Private Partnership (PPP) Rules 2018 were approved by the Cabinet in September 2021 and the unit is preparing to hire Specialists to advance its reforms. The Performance Management Reform Unit continues to reach citizens through its Citizens' Portal which has resolved 95 percent of complaints—354,000 out of 370,000 complaints. The Anti-Corruption Establishment has revised the Anti-corruption legislation, which is awaiting endorsement by the Establishment Department and subsequent approval by the Cabinet. The Right to Public Services Commission (RTPSC) in collaboration with IM Sciences has completed a Citizen Perception Survey. The RTPSC is now moving towards initiating the second Citizen Perception Survey.

## Risks

### Systematic Operations Risk-rating Tool

Risk Category	Rating at Approval	Previous Rating	Current Rating
Political and Governance	<span style="color: orange;">□</span> Substantial	<span style="color: orange;">□</span> Moderate	<span style="color: orange;">□</span> Moderate
Macroeconomic	<span style="color: orange;">□</span> Substantial	<span style="color: orange;">□</span> Moderate	<span style="color: orange;">□</span> Moderate
Sector Strategies and Policies	<span style="color: orange;">□</span> Moderate	<span style="color: green;">□</span> Low	<span style="color: green;">□</span> Low
Technical Design of Project or Program	<span style="color: orange;">□</span> Moderate	<span style="color: green;">□</span> Low	<span style="color: green;">□</span> Low
Institutional Capacity for Implementation and Sustainability	<span style="color: red;">□</span> High	<span style="color: green;">□</span> Low	<span style="color: green;">□</span> Low
Fiduciary	<span style="color: red;">□</span> High	<span style="color: orange;">□</span> Moderate	<span style="color: orange;">□</span> Moderate
Environment and Social	<span style="color: orange;">□</span> Substantial	<span style="color: green;">□</span> Low	<span style="color: green;">□</span> Low
Stakeholders	<span style="color: orange;">□</span> Moderate	<span style="color: green;">□</span> Low	<span style="color: green;">□</span> Low
Other	<span style="color: red;">□</span> High	<span style="color: green;">□</span> Low	<span style="color: green;">□</span> Low
Overall	<span style="color: orange;">□</span> Substantial	<span style="color: green;">□</span> Low	<span style="color: green;">□</span> 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 PKR 5 billion during July 2021-September 2021.	KPRA collected PKR 26.5 billion during FY 21-22.	KPRA targets to collect, at least, Rs. 18.0 billion in FY 21/22.
Date	28-Jun-2019	28-Oct-2021	26-May-2022	30-Jun-2022
Comments:	<p>KPRA collected PKR 10.35 billion in FY2018/19, which increased to PKR16.09 billion in FY2019/20 (actual figures from civil accounts) and PKR 19 billion in FY2020/21 (actual figures revised estimates from civil accounts). During FY 2021/22, the KPRA has collected PKR 26.5 billion (revised estimates from civil accounts).</p> <p>This indicator has been revised to align the unit of measurement in the baseline and target.</p>			

► 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 and Strategy are currently under review by relevant stakeholders. The PFM law will be submitted for Cabinet approval in November, 2021.	The PFM law has been approved by the Cabinet.	PFM Law approved by the Provincial Assembly.
Date	29-May-2020	05-Oct-2021	26-May-2022	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. 982 million for FY 20-21	Total throw forward is Rs. 982 million for FY 20-21	At least a 15% (\$42 million) reduction in the total throwforward over FY 19/20
Date	29-May-2020	05-Oct-2021	26-May-2022	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	50.00	50.00	75.00
Date	29-May-2020	05-Oct-2021	26-May-2022	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)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	578 taxpayers out of 1259 registered taxpayers filed returns in 2015/2016.	10,246 tax payers filed their returns during FY20/21.	10,246 tax payers filed their returns during FY20/21.	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	28-Oct-2021	26-May-2022	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	15,710.00	18,016.00	9,106.00
Date	29-May-2020	28-Oct-2021	26-May-2022	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.  KPRAs total working strength is 185 (including 22 on deputation and 45 outsourced staff), against 227 sanctioned positions	Limited progress on this indicator. While job descriptions and training manual were revised, the KPRAs needs to develop a training and staffing plans.	Limited progress on this indicator. The training manual has been developed and a training needs assessment has also been conducted. KPRAs plans to develop a training and staffing plans in the coming FY.	Staffing and training plans are approved for implementation.  KPRAs has trained at least 45% of the staff (including women).
Date	29-May-2020	05-Oct-2021	26-May-2022	30-Jun-2022
► Share of taxpayers who paid any amount with returns (Percentage, Custom)				



	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	18.00	14.00	11.00	22.00
Date	29-May-2020	28-Oct-2021	29-Apr-2022	30-Jun-2022
<b>► Departments using Framework Agreements (Number, Custom)</b>				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	3.00	7.00	7.00	5.00
Date	29-May-2020	05-Oct-2021	26-May-2022	30-Jun-2022
<b>► Procuring entities publishing procurement plans online (Number, Custom)</b>				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	27.00	31.00	44.00	37.00
Date	29-May-2020	05-Oct-2021	26-May-2022	30-Jun-2022
Comments:	Data for FY 21-22: 18 procuring entities publishing procurement plans online Cumulative: 31 procuring entities publishing procurement plans online			

<b>Improving public investment management and accountability in public services</b>				
<b>► Public investment schemes monitored, and results published in publicly disclosed progress reports (Percentage, Custom)</b>				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	25.00	10.00	19.00	35.00
Date	29-May-2020	05-Oct-2021	26-May-2022	30-Jun-2022
Comments:	Total number of schemes (FY 20-21): 2,467 out of which 666 schemes were monitored (27%) Total number of schemes (FY 21-22): 2,342 out of which 234 schemes were monitored (10%) in the first quarter of this FY This target is not cumulative because the number of schemes changes every year. Results have been published on the Planning and Development Department (P&DD) website: <a href="https://pndkp.gov.pk/monitoring-evaluation/">https://pndkp.gov.pk/monitoring-evaluation/</a>			
<b>► Increase in Public Investment Assets that are geo-mapped and published online (Text, Custom)</b>				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	Public Investment Assets are not geomapped and not available online.	550 public assets have been geo mapped. The Government has indicated that these assets cannot be published due to security risks.	A total of 2156 public assets have been geo mapped. The Government has indicated that these assets cannot be published due to security risks.	The Project Implementing Entity has cumulatively geomapped and published online 600 Public Investment Assets



Date	30-Jun-2016	05-Oct-2021	26-May-2022	30-Jun-2022
<b>► Public Investment schemes with unapproved PC 1 prior to inclusion in the budget (Percentage, Custom)</b>				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	29.00	19.00	19.00	20.00
Date	29-May-2020	05-Oct-2021	26-May-2022	30-Jun-2022
Comments:	Exceeded target for this FY.			
<b>► Citizens reporting that WSS services was provided within the stipulated time frame (Percentage, Custom)</b>				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	45.00	45.00	50.00
Date	29-May-2020	05-Oct-2021	26-May-2022	30-Jun-2022
Comments:	Data for this indicator has been derived from the Citizens' Perception Survey. While 56 percent of citizens reported satisfaction from water supply services, only 34 percent reported satisfaction from garbage disposal services.			
<b>► Improved legal and institutional framework for anti-corruption (Text, Custom)</b>				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	Existing legal and institutional framework for Anti-Corruption is inadequate	Institutional assessment completed and new Anti-Corruption Act drafted. The draft Act is under review by the Establishment Department and will be submitted for Cabinet approval by December 2021.	Institutional assessment completed and new Anti-Corruption Act drafted. The draft Act is under review by the Establishment Department and will be submitted for Cabinet approval by December 2021.	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	05-Oct-2021	26-May-2022	30-Jun-2022
<b>► Complaints resolved through Pakistan Citizen Portal (Percentage, Custom)</b>				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	60.00	60.00	94.00	75.00
Date	30-Jun-2021	05-Oct-2021	26-May-2022	30-Jun-2022
Comments:	Resolution of complaints is 60% for the first few months of the current fiscal year.			



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	1,245.00	1,245.00	820.00
Date	29-May-2020	05-Oct-2021	26-May-2022	30-Jun-2022
Comments:	<p>This data is cumulative, including for the sub indicator: <i>Public officials participating in project financed training of which are female participants</i>. Data for the sub indicator is as below: Last FY: 66 female public officials participated in project financed training This FY: 80 female public officials participated in project financed training Total number of participants: 1245 (male and female) Total number of female participants: 146 (12 percent)</p>			
□ 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	12.00	12.00	35.00

### Performance-Based Conditions

▶ PBC 1 Increase in number of STS tax payers that filed tax returns (Text, Intermediate Outcome, 500,000.00, 0.00%)				
	Baseline	Actual (Previous)	Actual (Current)	FY21/22
Value	578 taxpayers out of 1259 registered taxpayers filed returns in 2015/2016.	10,246 tax payers filed their returns during FY 20/21.	10,246 tax payers filed their returns during FY20/21.	The Project Implementing Entity has increased the number of STS taxpayers filing tax returns in the Fiscal Year by a cumulative percentage of 25% above Baseline.
Date	--	28-Oct-2021	05-Apr-2022	--

▶ PBC 2 Increase in Public Investment Assets that are geo-mapped and published online (Text, Outcome, 500,000.00, 0.00%)				
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	Baseline	Actual (Previous)	Actual (Current)	FY21/22
Value	Public Investment Assets are not geomapped and not available online.	550 public assets	550 public assets have been geo mapped. The Government has indicated that these assets cannot be published due to security risks.	The Project Implementing Entity has cumulatively geomapped and published online 250 Public Investment Assets
Date	--	05-Oct-2021	05-Apr-2022	--

#### Data on Financial Performance

##### Disbursements (by loan)

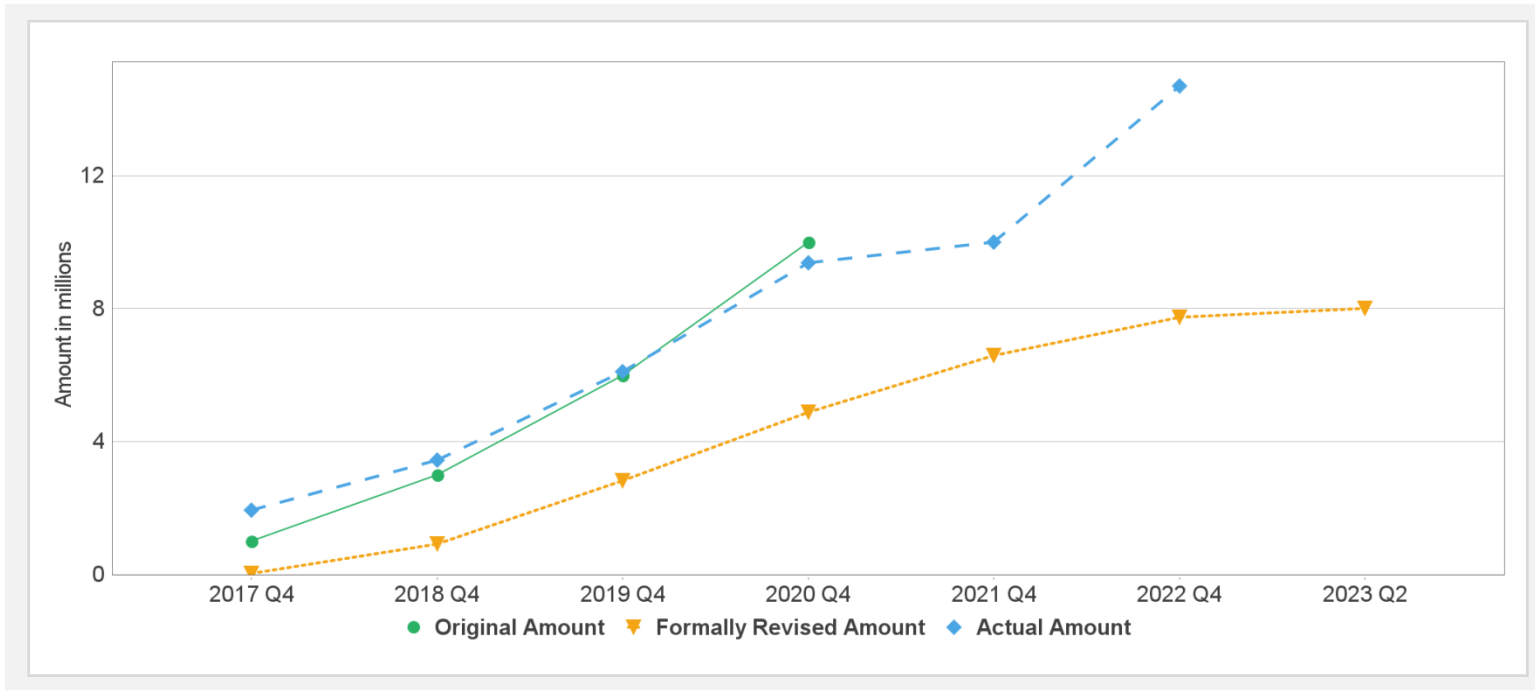
Project	Loan/Credit/TF	Status	Currency	Original	Revised	Cancelled	Disbursed	Undisbursed	% Disbursed
P156410	TF-A3361	Effective	USD	10.00	10.00	0.00	10.00	0.00	100%
P156410	TF-B3385	Effective	USD	8.00	8.00	0.00	4.70	3.30	59%

##### 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





### Restructuring History

Level Approved on

### Related Project(s)

P171659-Governance and Policy Project for Khyber Pakhtunkhwa