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PROGRAM APPRAISAL DOCUMENT
ON A PROPOSED CREDIT
IN THE AMOUNT OF SDR 32.6 MILLION
(US\$50 MILLION EQUIVALENT)
TO THE
ISLAMIC REPUBLIC OF PAKISTAN
FOR A
PUNJAB PUBLIC MANAGEMENT REFORM PROGRAM

October 21, 2013

Governance and Public Sector Management Group
South Asia Region

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CURRENCY EQUIVALENTS

(Exchange Rate Effective: September 30, 2013)

Currency Unit = Pakistani Rupee (PR)

PR106.2099 = US\$1.00

US\$1.00 = SDR 0.6518

FISCAL YEAR

July 1 – June 30

ABBREVIATIONS AND ACRONYMS

AC	Assistant Commissioner	EIA	Environmental Impact Assessment
ACA	Anti-Corruption investigating Agencies	EPA	Environment Protection Agency
ACE	Anti-Corruption Establishment	ESSA	Environmental and Social System Assessment
ACG	Anti-Corruption Guidelines	FATA	Federally Administered Tribal Areas
ADB	Asian Development Bank	FIA	Federal Investigation Agency
ADP	Annual Development Program	FM	Financial Management
AGP	Auditor General of Pakistan	FOI	Freedom of Information
CAS	Country Assistance Strategy	FY	Financial Year
CCC	Citizen Contact Centers	G2C	Government-to-Citizen
CIDA	Canadian International Development Agency	G2G	Government-to-Government
CMIT	Chief Minister's Inspection Team	GAC	Governance and Anti-Corruption
CPS	Country Partnership Strategy	GDP	Gross Domestic Product
DCO	District Coordination Officer	GFS	Government Finance Statistics
DFID	UK Department of International Development	GIS	Geographic Information System
DG	Director General	GoPb	Government of Punjab
DLIs	Disbursement Linked Indicators	GPRS	General Packet Radio Service
DLRs	Disbursement Linked Results	I&C	Implementation and Coordination
DO	District Officer	IBRD	International Bank for Reconstruction and Development
E&TD	Excise and Taxation Department	ICR	Implementation Completion Report
EDO	Executive District Officer	ICT	Information and Communication Technology
EFO	Externally Financed Output	IDA	International Development Association
IFMIS	Integrated Financial Management Information System	PFM	Public Financial Management
IFSA	Integrated Fiduciary Systems Assessment	PforR	Program for Results

IMF	International Monetary Fund	PGFR	Punjab General Financial Rules
IRG	Institutional Reform Group	PHSRP	Punjab Health Sector Reforms Program
IT	Information Technology	PIFRA	Project to Improve Financial Reporting and Auditing
IVR	Interactive Voice Response	PITB	Punjab Information Technology Board
KP	Khyber Pakhtunkhwa	PLGO	Punjab Local Government Ordinance
LG	Local Government	PMIU	Project Management and Implementation Unit
LG & CDD	Local Government and Community Development Department	PMU	Project Management Unit
M&E	Monitoring and Evaluation	POL	Petrol, Oil, and Lubricants
MD	Managing Director	PPMR	Punjab Public Management Reform
MEAs	Monitoring and Evaluation Assistants	PPMRP	Punjab Public Management Reform Program
MICS	Multiple Index Cluster Survey	PPP	Public Private Partnership
MIS	Management Information System	PPR	Punjab Public Procurement Rules
MTBF	Medium Term Budgetary Framework	PPRA	Public Procurement Regulatory Authority
NAB	National Accountability Bureau	PPRA	Punjab Public Procurement Regulatory Act
NAM	New Accounting Model	PPSC	Punjab Public Service Commission
NEQS	National Environmental Quality Standards	PRA	Punjab Revenue Authority
NPV	Net present value	PRs	Pakistani rupee(s)
OSR	Own Source Revenue	PRMP	Punjab Resource Management Program
P&D	Planning and Development	PSLM	Pakistan Social and Living Standards Measurement
PAC	Public Accounts Committee	PTA	Pakistan Telecommunication Authority
PAD	Project Appraisal Document	RCT	Randomized Control Trial
PAP	Program Action Plan	RFP	Request for Proposal
PDFPR	Punjab Delegation of Financial Power Rules, 2006	S&GAD	Services and General Administration Department
PDO	Program Development Objective	SBD	Standard Bidding Document
PEEDA A	Punjab Employees Efficiency, Discipline and Accountability Act	SDR	Special Drawing Rights
PEFA	Public Expenditure and Financial Accountability	SMS	Short Messaging Service
PESRP	Punjab Education Sector Reform Program	SNGP	Sub-National Governance Program

SOPs	Standard Operation Procedures	TPV	Third Party Validation
SRFP	Standard Request for Proposals	TR	Treasury Rules
SWOT	Strengths, weaknesses, opportunities and threats	UIPT	Urban Immoveable Property Tax
SWAps	Sector wide approaches	VA	Verification Agent
TA	Technical Assistance	WASA	Water and Sanitation Agency
TNA	Training Needs Analysis	WBI	World Bank Institute
ToRs	Terms of Reference		

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Task Team Leaders:	Zubair Khurshid Bhatti and Ana Bellver

ISLAMIC REPUBLIC OF PAKISTAN
Punjab Public Management Reform Program

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PAD DATA SHEET

ISLAMIC REPUBLIC OF PAKISTAN

Punjab Public Management Reform Program

PROGRAM APPRAISAL DOCUMENT

South Asia Region
SASGP

Basic Information			
Date:	October, 21 2013	Sectors: General public administration sector (100%)	
Country Director:	Rachid Benmessaoud	Themes: Other public sector governance (70%); Public expenditure, financial management and procurement (30%)	
Sector Manager/Director:	Naseer Ahmad Rana/Ernesto May		
Program ID:	P132234	EA: Category C	
Team Leader(s):	Zubair K Bhatti Ana Bellver (Co-TTL)		
Program Implementation Period:		Start Date: November 2013	End Date: June 2018
Expected Financing Effectiveness Date:		November 2013	
Expected Financing Closing Date:		December 2018	
Program Financing Data			
<input type="checkbox"/> Loan	<input type="checkbox"/> Grant	<input type="checkbox"/> Other	
<input checked="" type="checkbox"/> Credit			
For Loans/Credits/Others (US\$M):			
Total Program Cost:	US\$ 70.22 million	Total Bank Financing :	US\$ 50 million
Total Co-financing : Nil		Financing Gap : Nil	
Financing Source		Amount	
BORROWER/RECIPIENT		US\$ 20.22 m	
IDA		US\$ 50 m	
Financing Gap		Nil	
Total		US\$ 70.22 m	

Borrower: Islamic Republic of Pakistan						
Responsible Agency: Planning and Development Department. Province of the Punjab, Civil Secretariat, Lahore						
Contact:	Mr. Arif Anwar Baloch				Title:	Secretary, Planning and Development Department
Telephone No.:	0092-42-99210109				Email:	secretary@pndpunjab.gov.pk
Expected Disbursements (in US\$ million)						
Fiscal Year	2014	2015	2016	2017	2018	2019
Annual	10	15	10	10	5	0
Cumulative	10	25	35	45	50	50
Program Development Objective(s)						
To improve transparency and resource management of targeted departments of the Province of Punjab.						
Compliance						
Policy						
Does the program depart from the CAS in content or in other significant respects?				Yes <input type="checkbox"/>		No <input checked="" type="checkbox"/>
Does the program require any waivers of Bank policies applicable to Program-for-Results operations?				Yes <input type="checkbox"/>		No <input checked="" type="checkbox"/>
Have these been approved by Bank management?				Yes <input type="checkbox"/>		No <input type="checkbox"/>
Is approval for any policy waiver sought from the Board?				Yes <input type="checkbox"/>		No <input checked="" type="checkbox"/>
Does the program meet the Regional criteria for readiness for implementation?				Yes <input checked="" type="checkbox"/>		No <input type="checkbox"/>
Overall Risk Rating: High						
Legal Covenants						
Name	Recurrent	Due Date			Frequency	
Hiring of independent third party entity (ies) to verify DLIs.	X	First engagement not later than March 31, 2014. For DLRs requiring annual verification as set out in the verification protocol, engagement not later than March 31 of each calendar year. For DLRs requiring biannual verification as set out in the verification protocol, engagement not later than March 31 and September 30 of each calendar year.			Annually/Semi-annually	
Description of Covenant						
Pakistan shall cause Punjab to, and Punjab shall, engage an independent third party entity or entities within the specified time period to undertake the verification process. (Section III.A.2(a) of Schedule 2 to the Financing Agreement and Section III. 2(a) of the Schedule to the Program Agreement)						

Name	Recurrent	Due Date	Frequency
Carrying out of verification process to verify DLIs.	X		At least annually
Description of Covenant			

Pakistan shall cause Punjab to, and Punjab shall, undertake a verification process to verify the DLRs at least annually.

(Section III.A.2(b) of Schedule 2 to the Financing Agreement and Section III. 2(b) of the Schedule to the Program Agreement)

Name	Recurrent	Due Date	Frequency
Submission of verification reports to the Bank.	X	Not later than 60 days after the end of the period covered by each report.	

Description of Covenant

Pakistan shall cause Punjab to, and Punjab shall, furnish to the Bank verification reports by not later than 60 days after the end of the period covered by each report.

(Section III.A.2(c) of Schedule 2 to the Financing Agreement and Section III. 2(c) of the Schedule to the Program Agreement)

Name	Recurrent	Due Date	Frequency
Carrying out of the Program Action Plan.			On-going

Description of Covenant

Pakistan shall ensure that the Program Action Plan is carried out in a manner satisfactory to the Bank, and Punjab shall carry out the Program Action Plan in a manner satisfactory to the Bank.

(Section I .D.1 of Schedule 2 to the Financing Agreement and Section I. 2 of the Schedule to the Program Agreement.)

Team Composition				
Bank Staff				
Name	Title	Specialization	Unit	UPI
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Thomas Jeff Ramin	Senior Operations Officer	Operations	SASGP	254337
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Asim Fayaz	Consultant	ICT	SASGP	384479
Omar Khalid	Consultant	Environment	SASDI	296057
Umar Nadeem	Consultant	ICT	SASGP	425109
Poonam Pervaiz	Consultant	Governance	SASGP	426473
Ali Inam	Consultant	Governance	SASGP	444442
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Wasim Malik	Consultant	Economic Analysis	SASEP	441456

I. STRATEGIC CONTEXT

A. Country Context

1. **Pakistan, the world's sixth most populous country, with an estimated population of 187 million in 2011, is a lower-middle-income country with a per-capita gross national income of US\$1,050 in 2010.** After a period of strong economic growth and poverty reduction,¹ progress appears to have stalled as a result of the deterioration and increased volatility of fiscal, macroeconomic, political, and security conditions, which have adversely affected the socioeconomic status of households, the productivity and profitability of firms and employment activities, and the functioning of private markets and public services. The wide-scale devastation caused by floods and heavy rains in 2010 and 2011 has taken a further toll on the country. The near-term outlook is poor, with forecasts of weak growth, and threats arising from political, governance, and security fronts; debt and external financing concerns; persistent structural and fiscal weaknesses; and mounting price pressures. Weak governance and public sector systems and practices remain a significant challenge.

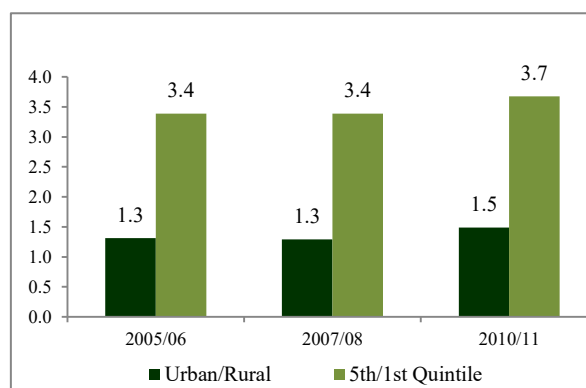
2. **Despite being the country's wealthiest province, Punjab faces significant poverty reduction and inequality challenges.** It is Pakistan's largest province in terms of population (accounting for about half of the national population) and the wealthiest (with close to sixty percent share of the economy).² Although key social indicators remain better than the national average (Table 1), the incidence of poverty is one of the highest in Pakistan: 18.3 percent in 2007/08. Recent estimates indicate that this may have increased further³ and its severity is the highest of all the four provinces, except Balochistan. Inequalities among different income groups and between urban and rural areas have risen (Figure 1). Moreover, wide variations exist across districts and along the gender divide.

Table 1 – Pakistan Key Social Indicators (Rates, %)

	Literacy	Gross Enrollment	Infant Mortality	Child Mortality	Tap Water
Pakistan	58	92	78	18	32
Punjab	60	98	81	18	29
Sindh	59	84	81	22	43
Khyber Pakhtunkhwa	50	89	63	13	45
Balochistan	41	74	49	11	35

Sources: PSLMS 2011 (literacy, enrollment, and tap drinking water); PDHS 2008 (mortality rates)

Figure 1 – Income Inequalities in Punjab (Ratios)



Source: World Bank staff estimates

¹ The economy grew at an average of 7.3 percent between fiscal years 2004 and 2007, and the poverty rate fell by half from 34.5 percent in 2001/02 to 17.2 percent in 2007/08.

² In 2010, the population of Punjab was estimated at 95 million in 2010, compared to 187 million of the country (Punjab Bureau of Statistics 2011). Its share of Pakistan's GDP was 54.7% in 2000 and 59% as of 2010.

³ As of 2011/12, some 20 million citizens (21% of its population) are estimated to live below the poverty line in Punjab.

3. **Punjab has struggled to create the fiscal space needed to meet the province's minimum investment needs and sustain service delivery improvements.** With the federal government having been assigned most of the country's broad-based taxes, Punjab's finances depend heavily on revenue transfers from the federal government—85 percent of the overall provincial revenue.⁴ Fiscal space in Punjab over the next few years is likely to remain tight but, based on historical experience, this is not likely to compromise the delivery of basic services or the availability of counterpart funding to donor-funded programs. The provinces' share in the federation's revenues (57.5 percent of overall envelope as agreed in the 2010 National Finance Commission Award) has been guaranteed through the 18th Constitutional Amendment as the benchmark and it cannot be decreased in the next Award scheduled for 2015.⁵ In September 2013, the IMF approved a 3-year arrangement under the Extended Fund Facility for Pakistan for an amount equivalent to US\$6.6 billion, to support the country's economic reform program to promote inclusive growth. Moreover, as part of the IMF discussions, the government is committed to ensure provincial fiscal surpluses. Even if the current macroeconomic situation impacts federal transfers to the provinces, the delivery of basic services is not expected to be compromised: much of these shortfalls are adjusted at sub-national level in the overall development expenditures, so recurrent expenditures will not be impacted significantly.

4. **While a rule-based fiscal intergovernmental system is in place, providing a degree of stability in revenue streams, it remains imperative that the province be helped in increasing revenue collection and in enhancing the effectiveness of public spending related to service delivery.** The devolution of additional service delivery functions and personnel to the provinces under the 18th Constitutional Amendment⁶ has posed further requirements on the limited fiscal space of the province, while citizen expectations have grown. Yet, efforts to raise own sources of revenue (OSR)—including the two broad-based and potentially buoyant property and agricultural income taxes—have been relatively ineffective (Figure 2).⁷ The potentially large urban immovable property tax remains unrealized because of extensive exemptions and widespread rent-seeking among the field staff of the Excise and Taxation Department (E&TD). Procurement practices remain largely inefficient and hinder cost-effective service delivery.⁸

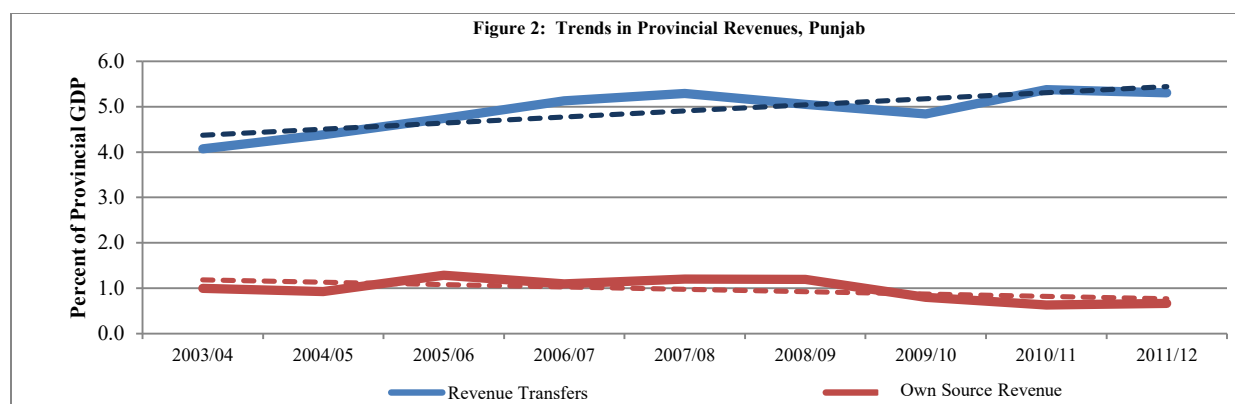
⁴ 2012-13 Budget Brief for Media, Finance Department, Government of Punjab

⁵ Sub-article 3-A of article 160 of the Constitution says: "The share of the Provinces in each Award of National Finance Commission shall not be less than the share given to the Provinces in the previous Award."

⁶ The 18th Amendment was passed by the National Assembly of Pakistan on April 8, 2010. Among other major reforms, it transferred responsibilities to the provinces in different areas such as labor, education, and environment. The provincial governments now have greater authority to raise domestic and international loans and give guarantees on the security of the Provincial Consolidated Fund.

⁷ Punjab Expenditure Review, 2013.

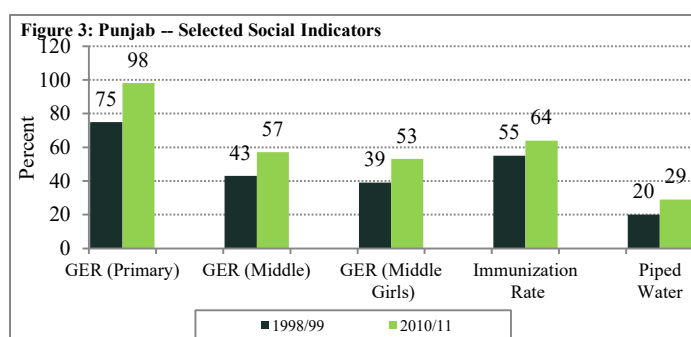
⁸ Punjab PEFA Assessment, 2012.



Source: Finance Department, Government of Punjab

B. Sectoral (or Multi-Sectoral) and Institutional Context

5. **The relative prosperity of the province has not translated into commensurate improvements in the delivery of public services.** Although the share of social programs in Punjab's overall development expenditure has increased,⁹ the quality of public services is poor and improvements in key social indicators have been very slow (Figure 3). Data on health services indicate relatively low use—as with several other services—of government facilities relative to private dispensaries or hospitals¹⁰ and a high rate of absenteeism¹¹ of key frontline personnel. According to the Pakistan Social and Living Standards Measurement Survey for 2011/12,¹² satisfaction with public services¹² is low. The private sector, largely unregulated and uncoordinated, has stepped in to deliver a wide range of education, health, and agriculture services but this has exacerbated societal inequalities – with middle – and upper-class households using better-quality private providers and the poor using lower-quality public providers.



Sources: Various PSLM surveys and PDHS

6. **A critical constraint for improving service delivery in Punjab is the absence of reliable information about performance and service delivery, which limits accountability of those along the service delivery chain.** Without good administrative data, it is difficult to assess whether government programs are achieving their goals, identify the required corrections and

⁹ From 9 percent in 2007/08 to 15 percent in 2011/12.

¹⁰ For instance, the note on nutrition prepared by the provincial government in 2012 indicates that one-third of reproductive-age women did not receive antenatal care during their last pregnancy; and those who did, received poor-quality care.

¹¹ Evidence suggests that absenteeism is widespread within Punjab's public sector. 50% of assigned doctors in basic health units were absent during office hours (Callen et al, 2013). Anecdotal evidence suggests that absenteeism is even higher among field workers, who are even more difficult to monitor than those posted to stationary facilities.

¹² Such as family planning (10 percent), basic health units (30 percent), veterinary services (17 percent), agriculture extension (15 percent), and policing (9 percent)

hold government agencies accountable. Similarly, without reliable information, it is difficult to manage human resources and reward good performers. And yet, departments such as Livestock, Agriculture, Excise and Taxation lack high quality, timely, granular data about their target population, the quality of services provided and the performance of field workers or frontline providers. The absence of reliable information reinforces the gaming behavior of the actors involved (Callen, Gulzar, Hasnain, and Khan 2013)¹³ and weakens their accountability.

7. Poor transparency and limited access to information of citizens are other critical constraints for improving service delivery. In general, the information available to the public about institutional performance and service delivery is poor and, when available, is often inaccurate and not user-friendly, which makes it difficult for the media, civil society and citizens to hold government accountable and appreciate good performance.¹⁴ Citizens also face significant challenges in accessing specific information about government services which increases their transaction cost, especially those in remote areas who have to travel long distances to access services. Lack of information entrenches the positions of field officials and creates space for “middle men” or intermediaries to take advantage of the information asymmetry. With a few exceptions, engagement with citizens and users of public services is limited, which contributes to the lack of trust and the behavior of the actors involved in service delivery as mentioned above.

The government’s program

8. The provincial government is acutely cognizant of these challenges and has undertaken several initiatives to improve the efficiency of service delivery and create fiscal space to sustain service delivery improvements. Ongoing initiatives in tax administration include the creation of the Punjab Revenue Authority and the implementation of an urban properties digitization pilot. There are also ongoing initiatives to enhance transparency in merit-based recruitment and large-scale procurement; to reduce absenteeism in the education sector; to appoint senior and middle managers based on competence and integrity; and to use information and communication technology (ICT) for governance and citizen engagement.¹⁵ However, these efforts remain scattered across the public administration and their sustainability depends on individual champions.

9. To consolidate and deepen these isolated efforts, the Punjab Government has developed the Governance Reform Roadmap (“the program”) to improve service delivery and citizens’ satisfaction with public services over the next five years. Designed by the blue-

¹³ Callen, M. *et al.*; The Political Economy of Public Employee Absence: Experimental Evidence from Pakistan, June 2013

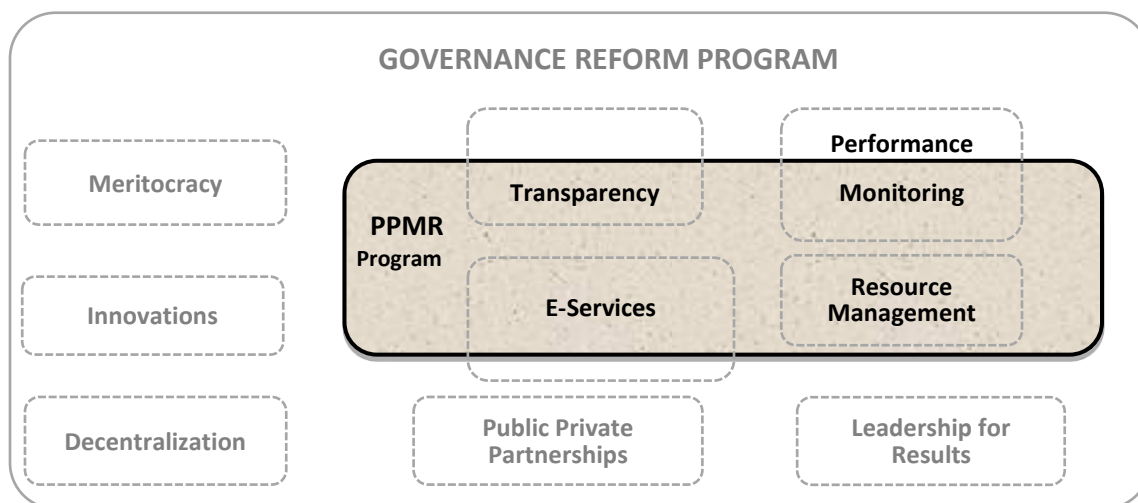
¹⁴ Pakistan scores lower than its neighboring countries in the e-government and online service indices of the United Nations E-Government Survey 2012. Pakistan's composite score in the survey is 0.28 (on a scale of 0 to 1 with 1 being highest) and ranks 156 out of 190 countries. Pakistan's score on the Online Service Index is 0.36 (on a scale of 0 to 1 with 1 being highest). In comparison neighboring countries rank higher: India Online Service Index - 0.53 , Bangladesh Online Service Index - 0.44 , Sri Lanka.

¹⁵ The Citizen Feedback Model initiative—fully scaled up across the province since mid-2012 for various day-to-day services—has reached, as of September 2013, more than 2.7 million citizens, around 0.3 million citizens have provided feedback via SMS, and around 10,000 new citizens are proactively contacted every day. Several pilots using low-end smartphones to improve data collection and management of service providers have been undertaken successfully, generating enthusiasm among senior managers to scale up and institutionalize these efforts.

ribbon Institutional Reform Group¹⁶ after wide stakeholder consultations, the Governance Reform Roadmap (referred in this document as –the government’s program”) includes nine themes that cover a wide range of cross-cutting governance issues: meritocracy, open responsive government, innovation and knowledge management, results-based management, e-governance, decentralization, resource mobilization and value for money, public–private partnership and leadership. The government’s program is estimated to cost PRs 40 billion (approximately US\$407 million). (See Annex 1 for more details.)

10. **Considering the breadth and ambition of the government’s program, this operation will support a subset named the Punjab Public Management Reform (PPMR) Program to deliver quick results while sustaining the reform momentum.** Section II provides more details about the PPMR Program, which is referred in this document as –the Program”. This operation will support the Government of Punjab in collecting information about service delivery and performance, making it available to citizens and decision-makers, and strengthening feedback loops for improved accountability. The focus of the Program will be thus, to improve transparency and accountability and strengthen the underpinning public management systems that are critical for delivering services in Punjab and for creating fiscal space to sustain further service delivery investments. In turn, this is expected to improve service delivery, but given the capacity constraints and the challenges of implementing some of the proposed reforms, the Program is not expected to deliver results in terms of service delivery during the course of the five years.

Figure 4. The PPMR Program vis-à-vis the government’s program



¹⁶ Chaired by a senior politician, Ahsan Iqbal, currently the federal minister for planning and development, the Institutional Reform Group comprised of heads of several agencies and eminent citizens.

C. Relationship with the Country Partnership Strategy (CPS) and Rationale for the Use of the Instrument

11. The proposed operation is aligned with Pakistan's CPS (2010–2013) priorities (Report No. 53553-PK). The CPS notes that ~~the~~ achievement of Pakistan's development objectives depends on the improved governance of the public sector—greater transparency and accountability, strengthened legal and regulatory frameworks (especially for private sector activity), improved responsiveness, and better interface with citizens.” The proposed operation specifically addresses each of the challenges outlined in the CPS through a set of activities with clearly identified results. In particular, the operation falls under the economic governance pillar that, inter-alia ~~aims~~ to strengthen tax policy and administration, strengthen public expenditure, financial and procurement management, enhance capacity and accountability in public sector management.” Improving the upstream environment will also facilitate improved service delivery for sector-level human development work. Additionally, the proposed operation contributes to the World Bank's objective to deepen direct engagement with provincial governments.

12. This operation complements the World Bank engagement in the province in the health, education, municipal, agricultural and livestock sectors.¹⁷ By addressing upstream cross-sectoral constraints, the operation aims to generate a virtuous cycle with these other operations, which focus on addressing specific downstream sector impediments to growth and service delivery. The proposed operation will strengthen data collection mechanisms and feedback loops, improve the supervision of field level service providers, and foster institutional and procurement transparency in these sectors. It will also strengthen the collaboration between the implementing agencies (PITB and PPRA) and these line departments and foster high-level discussions at the senior management level about service delivery performance. More importantly, some of the systems supported by the Program, such as the citizen feedback mechanisms, have already been incorporated into the Bank-funded Land Records Management Information Systems Project, and could also benefit the rest of the portfolio in the province. The operation also taps into the government's experience in implementing DLI based operations with the Second Punjab Education Sector Project.

13. The Bank is well placed to provide support to the government's program, (a) because of its global experience in helping countries address similar problems, particularly in Latin America and Southeast Asia, and its leading role in accountability and right-to-information reforms in South Asia, as well as its global expertise on performance management; (b) given the strong basis for engagement in Punjab due to sectoral engagement in health, education, urban development, and other service delivery sectors; (c) given its prior engagements using ICT innovations for accountability—leveraging cell phones for citizen engagement and improving the monitoring of service providers; and (d) given the analytical basis created through engagement on the Public Expenditure and Financial Accountability (PEFA) assessment, ongoing Bank

¹⁷ The following World Bank operations are currently under implementation in these sectors: Second Punjab Education Sector Project, Large Cities Improvement Project, and the Punjab Health Sector Reform Project. These operations focus on downstream issues at the service delivery point (i.e., improving school management and accountability, enhancing primary care and preventive health services, etc.) There are also other ongoing initiatives to support policy dialogue in the Agriculture and Livestock sector.

projects, and reports prepared by past governance reform efforts. The effectiveness of the Bank's investment will also be maximized by close partnership with the UK Department for International Development (DFID), whose recently commissioned Sub-National Governance Programme (SNGP) has been designed to work in tandem with PPMRP to support the delivery of joined up upstream and downstream governance reforms.

14. This operation incorporates lessons learned from the Pakistan portfolio, as well as from similar Bank supported projects worldwide.¹⁸ It recognizes that promoting transparency, accountability and service delivery focus is a difficult challenge, especially given the unstable security and political environment. A 2010 Independent Evaluation Group review of the Pakistan portfolio advised that the Bank should learn to anchor such interventions in larger government plans and focus its efforts on opportunities presented by the momentum of ongoing efforts to ensure ownership. A public sector capacity building project was deemed to be unsatisfactory because training of 500-plus federal fast-stream civil servants, out of a total of 6,000-plus such officers, was an insufficient and costly intervention without a clear results chain. The Punjab operation on the other hand, focuses on a provincial government directly responsible for service delivery, builds systems that have a direct bearing on day-to-day management, and leverages the anti-corruption and service delivery impetus of reforms champions in Punjab, and the increased focus on the politics of performance after the recent elections. Lessons learned from implementing similar reforms in other countries are discussed in Annex 4.

15. **Rationale for Program-for-Results (PforR).** The proposed instrument for this operation is a PforR credit for several reasons:

i. It provides a mechanism comprising expenditures and activities to support the government's program for improving service delivery in the province and fostering a results culture within the public administration. The Bank's assessment of the quality of the Program to be supported by this operation, including its results framework, expenditure framework, and supporting systems, is satisfactory. Although the PforR operation will support specific interventions, the Bank's contribution will be instrumental in fostering improvements in terms of effectiveness and efficiency in the overall program. In fact, the ongoing policy dialogue with the provincial government and the Bank's support during preparation is already improving the quality of the overall program and will continue to do so during implementation.

ii. It offers incentives for completing critical upstream reforms and addresses the cross-cutting constraints to service delivery that have been identified above. The PforR design provides financial and non-financial incentives to deliver Program results, and supports counterparts along the reform process through the agreed results targets linked to disbursements. Disbursement-linked indicators (DLIs) have been carefully selected to provide incentives on critical roadblocks to improving the Program's effectiveness, efficiency, and sustainability. Besides financial incentives, the PforR instrument and the underpinning institutional arrangements also have the potential to influence government management of day-to-day service delivery beyond the targeted departments. By disbursing against the national budget on the basis of key milestones achieved, it aims to foster a discussion between Finance and line departments

¹⁸ In particular, Program design incorporates lessons from the ICR Review of the Pakistan Public Sector Capacity Building Project, the Independent Evaluation Group review of the CAS and SWAps in the Latin America Region.

on results and value for money. By focusing on key cross-cutting results, it aims to facilitate dialogue within public agencies and across layers of government.

iii. It focuses on strengthening the institutional capacity needed for the Program to achieve its desired results, thereby enhancing its development impact and sustainability. Thus, the operation seeks to lock in support for a few institutions pivotal to the overall reform process and to strengthen their governance, capacities, and systems over time. These four institutions—Excise and Taxation Department (E&TD) (for revenue collection), the Punjab Information Technology Board (PITB) (for access to services and performance monitoring initiatives), the Punjab Procurement Regulatory Authority (PPRA) (for procurement reform), and the Punjab Resource Management Program (PRMP) (for transparency, overall coordination, and monitoring and evaluation)—will need both incentives and technical assistance to ensure that the cross-cutting reforms are effectively implemented. To this extent, the Program Action Plan and the Capacity Building Plan include specific institutional strengthening activities and appropriate targets and results set for each of these institutions in the results framework.

iv. This approach provides assurance that the Bank's financing is used appropriately and that the Program's environmental and social impacts are adequately addressed. The Program does not include any "Category A" activity. The Bank has assessed the Program's fiduciary and environmental and social management systems and termed them satisfactory. It has also agreed with the government on a fiduciary action plan to provide assurance that the loan proceeds are used for Program expenditures, and that these expenditures are incurred with economy and efficiency. Based on the scope of the Program, no negative environmental and social impacts are expected.

II. PROGRAM DESCRIPTION

Punjab Public Management Reform (PPMR) Program

A. Program Scope

16. This PforR operation will support the Punjab Public Management Reform (PPMR) Program (the Program), which is a subset of the government's program that focuses on addressing critical constraints to service delivery. In particular, the Program aims to:

i. *Improve transparency and access to information about specific services.* The Program will facilitate access to information about key services which is an important barrier to access public services, especially in remote and marginalized areas. Lack of information about services increases the transaction costs for citizens and generates opportunities for abuse by middlemen and field-level service providers. Facilitating access to information about services will eventually lead to improved access to services by reducing the transaction costs for citizens, and enhancing service coverage. Acknowledging that literacy, education, language, and certain cultural practices can also hamper access by vulnerable groups, the Program will rely on helplines in local dialects, female agents, facilitation centers, and short messaging service (SMS) to promote increased access by women, the rural population, and the poor. The Program will also support increased transparency of the departments in charge of delivering services, which will in turn enhance accountability of public agencies to sustain the reform momentum.

ii. *Strengthen performance monitoring systems and feedback-loops.* As mentioned before, a critical constraint for improving service delivery in Punjab is the lack of reliable data on performance of service providers, and in particular, the lack of information about the level and quality of the services rendered by field-based public officials. The Program will support the design and implementation of performance monitoring systems to gather information about service delivery and performance, oversee the performance of key personnel, and seek citizens' feedback about the quality of the services received. The Program will make information available to senior officials, and will promote the use of such performance information and user feedback for decision making.^{19, 20} However, since government ownership and engagement with line departments is critical for any success in this area, the Program is only expected to deliver results in terms of availability of performance information and improved oversight of field workers. The Program will also support the public disclosure of performance information.

iii. *Strengthen resource management systems.* The Program will support the provincial government in mobilizing its own revenue to increase the funding available for service delivery initiatives and to sustain reform efforts. The province's initiative to realize the potentially large urban immovable property tax and improve the efficiency of public procurement will, therefore, be supported. The Program will strengthen property registries at the district level to complement other ongoing initiatives funded by the government to improve billing on properties and property tax collection systems. As a result of these initiatives, revenue collected from property taxes is expected to increase faster than the historical rate of annual increase during the lifetime of the Program.

17. The focus of the PPMR Program is on strengthening public information management systems that are critical for transparency and resource management. Program interventions will improve these country systems, strengthen the capacity of the executing agency and the three implementing agencies²¹ to manage them, and provide incentives for line departments and public agencies to use them. Eventually, improved information management systems will lead to better resource allocation and performance management which will result in enhanced accountability and service delivery improvements.²² However, the Program is realistic as to what can be achieved during its timeframe considering the capacity constraints and complexities to implement the proposed reforms which in some cases, such as e-procurement, require legal changes. In this sense, as mentioned above, this operation complements other Bank projects underway in key sectors (Health, Education, Urban Development, etc.) that are drilling downstream by addressing the cross-cutting constraints these sectors face.

¹⁹ See PDO Indicator #2.

²⁰ At this stage, the Program will limit itself to support the basic pillar for performance management- that is, to strengthen monitoring systems in order to have reliable information about the production function of each agency and the performance of those involved in service delivery. If senior management agrees, such information could be used to improve decision making, resource management and design basic performance incentive schemes for key personnel. Eventually, this will allow the government to move towards more sophisticated performance management arrangements but it is not expected to happen during the lifetime of the Program.

²¹ The term 'executing agency' refers to PRMP and signifies its overall role in implementing the Program. The term 'implementing agencies' refers to PRMP, PITB, E&T Department and PPRA.

²² There is a vast literature on how improved accountability leads to service delivery improvements. For instance, see the World Bank Report 2004, Making Service Delivery Work for the Poor.

Table 2. The Program

PPMR Program (“the Program”)				
Result Area	Expected Results	Activities to be Supported	Implementing Agency	Targeted Users
Result Area 1. Transparency and Access to Services. Objective: to improve citizens’ access to information provided by targeted departments and facilitate access to key services.	<ul style="list-style-type: none"> Improved citizen access to information about key services. Targeted organizations and implementing agencies publishing information. 	<ul style="list-style-type: none"> Proactive disclosure of official information; establishing automated record management systems within key departments; and geo-mapping and publishing online development schemes. Offering information services to citizens on key public services by using ICT interfaces (the Web, helplines, SMS). Using ICT to automate service delivery (electronic payments, online application, and back-end automation) in key services. 	PRMP (also the executing agency) PITB	Implementing agencies and targeted departments as per Table 10.2 of Annex 10. Key services as per Table 10.3 of Annex 10.
Result Area 2. Performance monitoring. Objective: to support smart monitoring and make performance information available for decision-making.	<ul style="list-style-type: none"> Reliable service delivery information available to citizens and decision-makers Performance monitoring systems implemented and used by line departments to monitor personnel delivering field services. 	<ul style="list-style-type: none"> Implementing a data collection system based on smartphones in key services provided by field workers. Producing performance reports for decision making, gathering administrative and citizens’ feedback; and public disclosure of performance information. 	PITB	Departments in charge of delivering key services specified in Table 10.4 of Annex 10.
Result Area 3. Resource Management Objective: to improve the capacity of the province for resource mobilization and better expenditure management.	<ul style="list-style-type: none"> Property registries functional at the district level. Procurement MIS system implemented and used by cost centers for targeted contracts. 	<ul style="list-style-type: none"> Developing a digital database of property records and implementing revised ICT-based business processes to improve tax collection. Developing and implementing a procurement performance management system, disclosing key procurement documents, and implementing e-procurement. 	E&T Department PPRA	All districts in the province. Selected organizations as per Table 10.5 of Annex 10

18. **Boundaries of the Program.** As explained earlier, the Program to be supported by the Bank PforR operation covers a portion of the government's program with boundaries defined in terms of the activities to be supported, the public management systems and institutions to be strengthened, and its functional focus:

(a) *Supported activities.* The Program will provide support to Theme VII of the government's program and a subset of activities under Themes II, IV, and V as follows: Theme II activities to improve the transparency of government departments, Theme V activities to support citizens' access to key services, and Theme IV activities to improve data collection and performance management in targeted departments. See Table 2 for details.

(b) *Public management systems and institutions.* The Program will focus (i) on strengthening the monitoring and information systems (MIS) currently in place in Punjab to collect information, monitor service delivery, manage public procurement and property taxes, and engage citizens; and (ii) on improving the capacity of the public institutions that administer or support them (that is, PITB, PRMP, PPRA, and E&TD).

19. *Functional focus.* To leverage the synergies between different interventions and support the government in sustaining the focus on key results, the Program will target the implementation of the proposed activities in seven departments (in addition to the implementing agencies). The seven targeted departments (and the key identified services) constitute a substantial bulk of citizen interaction and government expenditure.

20. **Expenditure Framework.** The estimated funding envelope for the PPMR Program over the next five years is PRs7 billion (approximately US\$70.2 million). Table 3 details the expenditure proposed under the result areas supported by this operation. Table 3 and Annex 1 provide more information on the activities and outputs associated with this funding. Table 4 provides the relative government and IDA contribution to the PPMR Program. Program funding will be included in the provincial annual budget following the regular budget cycle, and all funding (regardless of the source) will flow through distinct budget line items. Program funds will be used to cover recurrent expenditures and development expenditures related to Program activities. The Finance Department will track and report the source of funds in its budget. However, the executing agency/implementing agencies will see no difference between the Punjab Government's funding and the Bank's support to the Program.

Table 3. Expenditure Framework for PPMR Program, 2013–2018 (PRs million)

Expenditure per Program Area (PRs million)	Financial Year					
	2013/14	2014/15	2015/16	2016/17	2017/18	Total
Transparency and access to services	442	296	345	404	475	1,962
Performance monitoring	245	306	421	701	773	2,446
Resource management	20	1,378	609	345	262	2,614
Total Program expenditure	707	1,980	1,375	1,450	1,510	7,022

Table 4. Program Financing (US\$ million)²³

	Total	Percentage of Total
Provincial government	20.22	28.80
IBRD/IDA	50.00	71.20
Total	70.22	100

21. **Government ownership.** The Punjab Government has a solid track record of governance reforms. For instance, the provincial chief minister has regularly monitored the education district-level performance indicators, and several performance management innovations²⁴ supported by the Bank have created substantial interest (see Annex 4 for details). In the 2013 elections, the manifesto of the Pakistan Muslim League (Nawaz), the party that remained in power in the province, included the main themes of the government's program.

22. **Leveraging the Bank's Support.** This operation aims to leverage Punjab's track record in results management, and the overall engagement on governance and service delivery with the Bank. While this PforR operation will support a subset of the government's program, the Bank's contribution is expected to bring about efficiency and effectiveness improvements in the overall program. First, the operation will strengthen the executing agency/implementing agencies that are necessary to support and sustain the overall government program, enhancing its efficiency and effectiveness as a result. To this extent, specific capacity building activities have been identified in the capacity building plan and appropriate result indicators and DLIs have been included in the results framework. Second, the operation will be instrumental in maintaining focus on the identified constraints to service delivery and delivering key results, thus also benefiting other ongoing Bank initiatives in the province. Third, donors active in the province may also help leverage the interventions with their support in Punjab and other provinces. The Canadian CIDA is already funding a small pilot for performance monitoring of education supervisors in Punjab.

23. **Scalability.** The institutional improvements expected under this operation could be scaled up beyond the selected services and departments. The design of the proposed interventions allows for modular expansion if the experience and results so warrant. In fact, the government has already expressed its interest on incorporating more services and departments into the Program. However, given the technical complexity of some of the interventions and the limited capacity of the counterparts, the government and the Bank have agreed on adopting an incremental approach, and will assess at mid-term review the possibility of expanding the Program to other departments or services based on performance. Similarly, the government may be able to replace non-performing services or departments in agreement with the Bank after

²³ Please see the Table 4.5 in Annex 4 for more details of the Program spending units, budget heads and related current and development expenditures.

²⁴ Similar interventions to the ones supported by the Program such as the Citizens Feedback Model, the Monitoring the Monitors Program and the Dengue Monitoring System have already being implemented successfully in Punjab with World Bank technical support.

annual reviews. Annual learning events will help disseminate Program experience to other sectors.

24. **Program Beneficiaries.** The Program has several groups of direct beneficiaries. The first group includes users of public services, especially in remote areas, who will benefit from better access to information about those services, the delivery of more field services, the possibility of providing feedback about service quality and, in some cases, the possibility of registering and making payments electronically. Eventually, these actions will result in wider coverage and better-quality service delivery, which will also benefit users of public services. Since Program interventions focus on a wide range of services delivered by government departments, including, for instance, the Education, Health, Livestock, Agriculture, Local Government, and Excise and Taxation Departments (see Annex 10 for a full list), the expected beneficiaries cover all social groups. The second group includes the beneficiaries of improved MIS and performance monitoring, that is, senior and middle management of the provincial administration and public servants of the targeted departments. Lastly, improvements in procurement and tax collection are expected to increase Punjab's fiscal space and make more funds available for service provision. Similarly, greater transparency and accountability are expected to result in better public policies that will ultimately benefit all the province's citizens.

25. **Strategic Communication.** As the Program aims to enhance demand-side governance for better service delivery, the role of information sharing and transparency becomes all the more important for engaging stakeholders at various levels. The Punjab Government will create further awareness among beneficiaries and internal stakeholders about the Program's development objectives through external and internal communication. External communication on the government's part will broaden reform ownership and ensure sustainability. While monitoring civil servants' performance and the availability of information on service delivery are important, internal communication is imperative to avoid resistance to reform among various internal stakeholders and the targeted cadres of civil servants who may wonder what the reforms entail for them. The government has substantial communication capacity that can be used to achieve these objectives. If required, the communication capacity of the Planning and Development Department/Punjab Resource Management Program—as the Program's executing agency—can be enhanced by bringing in communication experts from the private sector and tapping the Bank's technical assistance.

26. **Partnership with DFID.** The PPMR Program is being developed in close coordination with the Sub-National Governance Program (SNGP) supported by DFID. The PforR operation will focus on cross-cutting interventions that complement SNGP, whose main focus is incubating service delivery innovations at the district level. PPMRP and SNGP share similar objectives and have been designed to support the same government reform program. They will share implementation structures—PRMP and steering committee—which will facilitate coordination and exploit the synergies between the activities to be supported at the provincial and district level. And they are expected to directly reinforce each other's activities – progress in one program is likely to facilitate progress in the other. In addition, DFID's externally financed output (EFO) funds, to be managed by the Bank, will support the Program's implementation by providing parallel financing to some of the activities included in the Program Action Plan and Capacity Building Plan.

B. Program Development Objective (PDO)

27. The Program Development Objective is to improve transparency and resource management of targeted departments of the Province of Punjab.

28. The key outcomes to be achieved are the following:

- Improved citizens' access to information about key services.
- Improved management of key services.
- Improved urban property tax collection.

C. The Program's Key Results and Disbursement-Linked Indicators

29. Three indicators have been selected to measure success in achieving the PDO:

- PDO Indicator 1: Number of telephone calls received by the Citizen Contact Centers to seek information about key services.²⁵
- PDO Indicator 2: Decision-makers using reliable service delivery information for improved management.²⁶
- PDO Indicator 3: Urban property tax revenue collection.

30. Five indicators have been selected from the results framework as DLIs to incentivize government agencies to use the public management systems strengthened by the project, and address the critical bottlenecks that might hamper the Program's results. The first DLI aims at providing incentives to public agencies to publish information. The other DLIs aim at providing incentives to public agencies to use the systems developed or strengthened through the Program, that is, providing information through the Citizen Contact Center, using smart management systems, the property registry and the procurement information management system. Since the benefits of these transparency and accountability actions might not be seen immediately, the DLIs are expected to provide impetus for senior management to support and sustain the reforms (see Annex 3 for details on the DLIs, disbursement arrangements, and verification protocols). Specific change management actions are also proposed to reduce resistance from public servants affected by the reforms. (See Section IV. A for more details.)

Table 5. Program DLIs

DLI 1	Targeted organizations publishing updated institutional information on their websites for information of the public
DLI 2	Telephone calls received by the Citizen Contact Centers to seek information about key services ²⁷
DLI 3	District services being monitored by smart management ²⁸ tools

²⁵ See Table 10.3 in Annex 10 for the list of key services.

²⁶ Measured by the number of agreed periodic administrative reports submitted into the dashboard, on a defined template, by the targeted managers documenting the measures- such as counseling, training, reprimands, incentives, resource rationalization, resource increase etc- they have taken to use the information to improve service delivery.

²⁷ See Table 10.3 in Annex 10 for the list of key services.

DLI 4	Properties added to the urban property registry
DLI 5	Targeted organizations using PPRA MIS for targeted contracts

D. Key Capacity Building and System-Strengthening Activities

31. The PforR operation focuses on system-strengthening activities for the four implementing institutions: PRMP (also the executing agency), PITB, PPRA, and E&TD, thereby substantially enhancing the Program's developmental impact and sustainability. These interventions include strengthening information management and monitoring systems, supporting performance management and evidence-based decision making, improving records management and the disclosure of information, strengthening procurement and tax administration systems, and other specific capacity building activities that are listed in the Program Action Plan and the Capacity Building Plan (see Section IV.E and Annex 8 for further details).

III. PROGRAM IMPLEMENTATION

A. Institutional and Implementation Arrangements

32. The proposed institutional arrangements aim to influence the way the government operates beyond the targeted departments, initially in the context of the PforR operation and then beyond it. Existing policy arrangements are used to support the results focus of the discussion within the government, and to facilitate the dialogue between core government agencies and line departments, and across different layers of government.

33. *Program Steering Committee.* A steering committee headed by the chairperson of the Planning and Development Board will be established to oversee implementation, provide strategic direction and guidance, and facilitate coordination between implementing agencies, different departments and levels of government. The steering committee may refer any matter where a policy decision is needed or there is a major implementation challenge for guidance by the existing three high-level committees, the secretaries committee, the commissioner conference, and the DCOs committee which are chaired by the chief secretary, to ensure the effective implementation of the Program. The steering committee will also jointly oversee progress in DFID's SNGP ensuring that the two programs are viewed as a coherent, unified package of support.

34. *Overall Program Management and Coordination.* PRMP, the executing agency, will support the day-to-day implementation of Program activities, facilitate coordination across different government departments, monitor results, and generate performance and financial reports on Program implementation. It will serve as a secretariat to the steering committee on matters regarding Program implementation, help detect any problems early on, and propose

²⁸ "Smart management" or "smart monitoring" is a new term coined for one of the interventions supported by the Program, is so called because: it relies on smart phones for data collection and analysis, and therefore, it represents a cost effective approach for improving management in resource constraint settings. .

corrective actions. *Implementing Agencies.* The Program has four implementing agencies—PRMP, PITB, PPRA and E&TD—although the systems developed or strengthened by Program interventions will be used by many other government departments. These four agencies will work with line departments to implement Program interventions in their respective result areas as per their mandate, agreed timelines and sequencing. PITB will also support all Program interventions that require the use of ICT. (See Table 1.1 in Annex 1 for more details about the Program’s implementing agencies.)

B. Results Monitoring and Evaluation (M&E)

35. The proposed outcomes, intermediate results and DLIs, when regularly measured and reported, aim to support governance changes in the three key outcome areas. Regular measurement and reporting on the key results and DLIs will provide feedback to the government on how well (or not) the Program is progressing and where interventions may be needed.

36. PRMP, as executing agency, will have overall responsibility for coordinating, monitoring, and reporting on the Program’s result indicators. Each of the four implementing entities described above will be responsible for monitoring the intermediate indicators and specific PDO indicators relevant to their area of intervention. Baselines and targets are provided for all the indicators. The verification protocols agreed on will be developed to ensure that PRMP can collect, analyze and report on each disbursement linked indicator with validity during implementation. PRMP will engage a monitoring specialist to support implementation of the Program for effective data collection, analysis, and reporting.

37. Improving monitoring practices is at the heart of this operation since it includes several interventions that will strengthen the monitoring systems of Punjab’s public agencies. First, PRMP will be provided technical assistance to strengthen its M&E system for regular results reporting on the overall Program. Second, the other three implementing agencies (PITB, PPRA and E&TD) will also be provided technical assistance to strengthen their capacity to monitor the result indicators relevant to their respective areas of intervention. Third, two of the result areas supported by the operation aim to strengthen sector-wide M&E systems. In the area of procurement, the Program supports the design of an MIS for PPRA to collect information on various procurement-related practices within the government. In the targeted departments, the Program will strengthen data collection on the delivery of key services and promote the use of such information for decision-making. It is expected that such “smart performance management” systems will eventually be developed into sector-wide monitoring systems.

38. The engagement with civil society through PRMP’s communication efforts and through DFID’s EFO funds, will provide inputs to the monitoring of Program results and increase stakeholder ownership. PRMP will also liaise regularly with civil society, which will include conducting yearly provincial workshops, to seek feedback and engage with civil society on external accountability interventions.

Disbursement Arrangements and Verification Protocols

39. The DLIs are realistic, verifiable, relate to the sector-specific subsystems identified under the Program, and focus on achieving targets that contribute significantly to achieving the

PDO. External verification will be conducted every six months (at the end of the second and fourth quarter of Punjab's fiscal year which is from July 1-June 30) or annually (at the end of fourth quarter of Punjab's fiscal year) by an independent entity as per the agreed protocols for each DLI. PRMP will identify a contractor/contractors to carry out the verification process for the five DLIs as per the verification protocol agreed with the Bank. This is to simplify the management of PRMP's verification work and to ensure that it receives the consistent attention and technical support required. For those DLRs requiring annual verification as set out in the verification protocol, such a contractor will be engaged not later than March 31 of each calendar year. For DLRs requiring semi-annual verifications as set out in the verification protocol, the contractor will be engaged not later than March 31 and September 30 of each calendar year. The first such engagement will take place by March 31, 2014. The verification report will be sent to the Bank within sixty days after the end of the period covered by each report. While the government will be able to make changes to the verification reports when in draft form, to correct factual errors, final approval on the acceptance of each such report rests with the Bank. Upon the receipt and acceptance by the Bank of the evidence, including the relevant verification report(s), that the DLRs have been achieved by the end of each "Period" in which the said DLR is to be achieved, the Bank will communicate the results achieved during such Period, along with the associated disbursement amount, by a letter to the government. Withdrawal application(s) can then be submitted by the government for disbursement thereafter. Though verification of some of the DLIs may be performed on a semi-annual basis, Bank disbursements against achieved DLRs will be annually, i.e. after the end of each fiscal year.

40. Credit funds will be disbursed based on achievement of the DLRs (Table 3.3 of Annex 3) and satisfying the verification protocols for each of the indicators (Table 3.2 of Annex 3) during the specified Period(s). Disbursements for meeting each of the DLRs are calculated based on the specified disbursement calculation formula (Table 3.3 of Annex 3). The Program is planned over five years with disbursements up to a maximum of US\$50 million equivalent over this time.

41. DLIs 1, 3 and 5 include targets for achieving new results as well as for sustaining such results over time. The funds allocated to new results may be disbursed in sequential order at any time so long as they are met within the specified Periods, while funds allocated for sustaining results are time-bound and can only be disbursed in one specific Period as per Table 3.3 in Annex 3.

42. DLI 2 measures the number of telephone calls received at the Citizen Contact Center to seek information about Key Services (as defined in the legal agreements). In each Period, subject to verification, the Recipient may receive funds, for every 100 telephone calls made, up to the maximum amount shown in Table 3.3 of Annex 3. These calls are known as "CoreCalls" and are strictly time-bound. There will be no payment for incremental achievement of DLRs, that is, fewer than 100 calls, in any one Period. Once satisfactory evidence has been provided for withdrawal of the maximum amount of funds allocated against these time-bound DLRs (i.e. receipt of the maximum number of Core Calls), the Recipient may, subject to verification, receive funds for every additional 100 calls, up to the maximum amount shown in Table 3.3 of Annex 3. These are known as "Additional Calls". Additional Calls are not time-bound, that is, funds allocated to the additional number of calls may be disbursed in sequential order at any time

so long as they are met within the specified Periods. However, there will be no payment for incremental achievement of such DLRs, that is, fewer than 100 calls, in any Period(s).

43. DLI 4 measures the number of properties added to the property registry and includes indicative targets for such additions for each Period. However, funds allocated to these targets are not time-bound and may be disbursed in sequential order at any time so long as they are met within the specified Periods.

44. If by the end of the Period in which a DLR is to be achieved, the maximum amount of the financing allocated to such DLR has not been fully withdrawn, the Bank may decide to reallocate all or a portion of the said non-withdrawn amount to one or more DLR(s) and/or cancel all or a portion of the said non-withdrawn amount.

45. Advance financing will be available to the government up to a ceiling of 25 percent of the credit amount, net of any cancellations. Due to cash flow constraints, the government may request advance payments to finance the Program activities necessary to achieve one or more DLRs as specified by the government, and for which the government will need to subsequently furnish evidence satisfactory to the Bank that the said DLR(s) have been achieved. If, by the end of the Period in which any DLR is set to be achieved, the amount of advance for said DLR exceeds the amount of financing eligible for withdrawal under said DLR (e.g. due to underachievement), the Bank will require the government to refund the amount of such excess and cancel such amount refunded, unless the Bank and the government agreed otherwise. For this purpose, the Bank may agree with the government to notionally allocate the amount of such excess against the achievement of one or more other DLRs or the same DLR(s) in subsequent Period(s). No prior result financing is envisaged under this Program.

46. If at the end of the Program, the amount of Bank financing disbursed exceeds the total amount of expenditures under the Program, taking into account contributions from other financing sources, the government is required to refund the difference to the Bank. During the implementation of the Program, and as part of Bank implementation support, the Program may, with the agreement of the Bank and the government, be modified to strengthen its development impact, revise its development objectives or DLIs, improve Program performance, address risks and problems that have arisen during implementation, make appropriate use of undisbursed financing, cancel non-withdrawn amounts prior to the closing date, extend the financing closing date, or otherwise respond to changed circumstances.

IV. ASSESSMENT SUMMARY

A. Technical (Including Program Economic Evaluation)

47. The impact of poor governance—and in particular, weak accountability — on performance and service delivery needs no elaboration. The question is: what are the critical constraints to improve accountability of those involved in the provision of services? In the case of Punjab, weak information management systems, dysfunctional feedback loops, poor citizen interaction and lack of clarity of service delivery responsibilities between different levels of government, contribute to the weak external and internal accountability of many provincial

departments. These information asymmetries make it difficult to reward good performers, and offer opportunities for abuse by middlemen and field officials.

48. The government has outlined an ambitious agenda of reforms to achieve the objective of improved service delivery and citizens' perceptions of governance performance. The Program will support the government's program mainly by leveraging new, inexpensive, and widely used ICTs to establish new information and monitoring systems—service smart management, procurement performance, and a property tax information system—to make performance information available to decision-makers and the public at large. Increased information flow both outside and within the government will help improve accountability and will eventually translate into better service delivery.

49. *International experience.* The interventions supported by the Program draw on lessons learned from international experience and previous pilots in the province. Many governments have used information technology (IT) tools to improve the accountability of service delivery, service uptake, and even service performance over the last two decades. Given their falling cost, easier maintenance, and in-country capacity, new ICTs (cell phones, SMS, and web-based tools) substantially increase the chance that such benefits can be realized in Punjab. Consistent with international experience, the Program proposes to institutionalize the new public management information systems, by creating alternative mechanisms that will eventually replace the old data collection and information systems.

50. *Sustainability.* The resistance from internal stakeholders to these alternative mechanisms presents a risk to their sustainability over the medium term. For instance, the digitization of property tax is likely to face resistance from the entrenched interests within the property tax collection machinery. Similarly, the proposed freedom of information agenda may face resistance within the bureaucracy. Increased scrutiny of procurement reforms is also likely to be challenged by line departments and procurement officials. ICT provides major new avenues of citizen engagement, data collection and monitoring of field officials but the reaction of service providers may be initially hostile towards these new tools. Mitigation measures to resistance to change would include careful sequencing of reforms so rapid results in key areas are achieved to gain and maintain traction for reforms. In addition communication with senior political and administrative leadership, with wider citizen groups and the media will be sustained during implementation of the Program to ensure leadership from the top and lock in public support. DLIs have also been selected to provide incentives for the most challenging reforms.

51. In addition, the following factors will contribute to ensuring their sustainability: (i) strengthening the capacity of executing and implementing institutions to manage the Program; (ii) strengthening the provincial systems critical to creating efficiencies and fiscal space to sustain the Program; (iii) provision of the legal framework for the transparency initiatives with the likely passage of the Punjab Freedom of Information law; (iv) calibrating incentives and resources during implementation, and (v) engagement with beneficiaries and external accountability will also contribute to lock in progress made and provide incentives to deepen the reforms.

52. *M&E systems.* Program interventions focus on building M&E systems in areas where there is currently no, or weak, systematic methods for collecting aggregate data on property tax,

procurement, and the delivery of field-based services in targeted departments. The new monitoring systems for service delivery are expected to eventually develop into sector wide monitoring systems.

53. The Program will also provide technical assistance to executing and implementing agencies, either in using their monitoring systems to monitor Program results or in developing new ones. Each entity will provide dedicated staff and resources to ensure that the indicators are effectively monitored according to an agreed monitoring method and plan. Additionally, PRMP will ensure that each implementing entity meets its monitoring requirements and makes adequate progress. More importantly, regular monitoring and performance reporting on the indicators given in the Program's results framework through the new systems will help strengthen existing monitoring and reporting practices within the executing and implementing entities as well (PRMP, PITB, PPRA and E&TD).

54. *Economic Analysis.* The expected economic impact of this intervention is positive (see Annex 4 for details). Expected benefits during the Program's lifetime -- increases in property tax collection and labor productivity, and reductions in transaction cost for accessing services -- are valued at US\$66.24 million whereas the present value of the cost of intervention is about US\$40 million. However, this calculation underestimates the net present value since it does not take into account all the benefits that Program interventions will bring about in subsequent years (other than property tax collection which takes into account the marginal increases over ten years) through systems improvements. Other government program interventions for property tax -- revised rental tables, for example - will further increase the returns on this investment but, given the uncertainty surrounding their implementation, these enhanced returns have not been taken into account. Moreover, the proposed interventions are expected to have a demonstration effect and to be replicated in other public agencies and services. However, the transversal nature of the proposed reforms (disclosure, monitoring, service delivery and procurement) and the fact that they will be implemented along with other government initiatives makes it difficult to attribute the expected outcomes to a single reform initiative.

B. Fiduciary

55. A preliminary integrated fiduciary systems assessment has been undertaken that incorporates financial management, procurement, and governance (with a focus on anti-corruption). The assessment reviews the fiduciary arrangements relevant to the PPMR Program in the executing agency (PRMP) and three implementing agencies (PPRA, E&TD and PITB) to determine whether they give reasonable assurance that Program funds will be used for their intended purpose. Based on this preliminary assessment, and subject to the implementation of the Program Action Plan to mitigate the identified risks, the Program's overall fiduciary framework and systems provide reasonable assurance that the financing proceeds will be used for the intended purposes, with due attention to the principles of economy, efficiency, effectiveness, transparency, and accountability, and appear able to support implementation and achieve the desired results.

56. The overall fiduciary risk assessment is rated "substantial" (see Annex 7 for the detailed assessment).

57. *Financial Management.* The fiduciary risks identified in Annex 5 are consistent with the PEFA assessment that has been recently undertaken in Punjab. The financial management element of the assessment identified certain capacity and control weaknesses in the implementing entities. These entities lack the entire range of experience and expertise necessary, and do not have sufficient human resources to manage financial matters for a program on the scale of the PPMR Program. Current vacancies need to be filled and an internal audit function established. To build implementing entities' capacity and strengthen internal controls, technical assistance will also need to be provided under the PPMR Program. The Program will support skills transfer and the sustainability of this capacity during and at the conclusion of the Program. In addition, the Program will be subject to annual audit by the Auditor General of Pakistan as the Supreme Audit Institution of the country. Audited Program financial statements shall be furnished to the Bank within six (6) months of the end of each year.

58. *Procurement.* The Program-related procurement outlays of the executing and three implementing agencies include: consultancies and some goods for PRMP and PPRA, major IT consultancies and goods for PITB, and IT goods and non-consulting services for E&TD. PPRA's total requirement under the Program is about US\$1 million, which includes consultancies covering the development of an MIS system for M&E, assistance in filling documentation gaps—finalizing standard bidding documents (SBDs) and developing implementation regulations—developing strategies for training (training needs assessment and curricula), and preparing an e-procurement implementation plan. Consultancies for PITB and E&TD are also envisaged to fall within US\$2.5 million. The overall implementation arrangement assigns responsibility for the procurement of IT goods to PITB, whose assistance will be essential for E&TD's data entry contracts. The procurement of goods and non-consultancy services at PITB will not exceed US\$3 million per contract. As an option E&TD is also considering hiring the Urban Unit (UU) under its rules for single source selection (SSS) to conduct the UIPT survey, process design, development and analysis. In such a case, UU will be required to use the PPRA rules for procurement of goods and services. The contract cost of UU for their services shall remain within US\$5 m equivalent. In general, competition is the default method of procurement; PPRA is in the process of developing SBDs. The executing and implementing agencies currently use either their own customized bidding documents and requests for proposals, or documents used by other government agencies for similar procurements. They have all been informed that bidding documents should specify minimum qualifying technical criteria. PPRA will recommend the use of bidding documents for goods and RFPs including contract forms to be used for the Program procurements. Such instructions will be issued by November 30, 2013. When work on the SBDs is complete, the executing and implementing agencies will use the standard documents for Program implementation.

59. PITB's procurement and contract management capacity is adequate. PRMP has implemented consultancy contracts under donor-funded projects, but PPRA has not handled any firms' consultancy contracts, and E&TD has only carried out one major procurement process (number plates, that is, goods-cum-non-consultancy services). The Program identified procurement and contract management arrangements within each of the executing and implementing agencies and PPRA will hold customized training sessions as soon as the focal points have been identified. Agreements have also been made with regard to planning, disclosure, and dissemination as per the PPRA Rules 2009.

60. The Program will engage with PPRA to support the procurement regulatory regime. PPRA has drafted a plan that identifies the major actions to be taken, including filling in documentation gaps (SBDs, standard requests for proposals, implementing regulations, and contract management manuals), developing a procurement performance management system, preparing a training strategy (addressing the needs of implementing agencies, target departments, PPRA staff, and auditors), and carrying out an e-procurement implementation plan.

61. While the Program supports all actions identified in the PPRA's plan, the two major activities identified are the development of a procurement performance MIS and an e-procurement strategy. The MIS will immediately address the issue of missing data; help measure the procurement performance of all implementing agencies, market responses, and robustness of rules; and identify trends in public procurement. Ideally speaking, the MIS should access data from an electronic procurement system, but given that the e-procurement plan will take some time to implement, the MIS data will be manually uploaded. The system will, however, ensure that access is controlled, hierarchies maintained, and data entered on time. While developing the system, one issue to consider is that the MIS will interact with the e-procurement system as and when functional. The MIS will capture all procurement data, but the Program DLI will monitor only a subset.

62. *Fraud and Corruption.* The Bank has several large ongoing engagements in the province where the country's systems are deemed satisfactory. An anti-corruption assessment has also documented that adequate systems exist to counter corruption. Federal legislation in 2010 established a commission “to promote fair competition in all spheres of economic and commercial activity”; the law also prohibits “collusive tendering or bidding for sale, purchase or procurement of any goods or service.” Several Program interventions—property tax registry, procurement information systems, and the automation of service delivery—directly address corruption issues. Several measures—the MIS for the Punjab Anti-Corruption Establishment Ordinance and an MIS to collect information on activities under the Punjab Employees Efficiency, Discipline and Accountability Act—have been proposed as part of the Program Action Plan to strengthen the capacity of anti-corruption institutions. The Bank's team has reviewed the debarment list and there are no firms in the region that have experience in the technical areas of the Program's proposed activities.

63. The Borrower will implement the Program in accordance with the provisions of the Anti-Corruption Guidelines (ACG) applicable to PforR operations. The modalities for implementing the ACG include the following:

- a. All fraud and corruption complaints will be aggregated through three mechanisms. First, an MIS, to be maintained by executing agency/implementing agencies for administrative discipline and efficiency inquiries, including any procurement corruption charges related to the Program, where all such processes will be aggregated, is being proposed as a Program Action Plan activity. Second, the Anti-Corruption Establishment already aggregates and categorizes all complaints. Third, Secretary Planning and Development/PRMP will process through the relevant administrative authorities any Program related procurement corruption complaints that may be received.
- b. The office of the Secretary of the Planning and Development Board will be the Punjab Government's focal office for the purposes of ACG application. It will also aggregate

Program related procurement corruption complaints by monitoring the MIS of administrative inquiries and by maintaining liaison with ACE.

- c. The Punjab Government will undertake investigations, criminal and administrative, under the Program, of all material and credible allegations of fraud and corruption, and keep the Bank abreast of their progress and findings and make public the conclusions.
- d. The Punjab Government will provide the Bank with reports annually or more frequently as warranted, reporting allegations of fraud and corruption under the Program received and registered, as well as related investigations and, as needed, the actions taken. Reciprocally, if the Bank finds evidence of corrupt practices, the Bank will, to the extent consistent with Bank policy, refer the case to the Punjab Government for investigation under the relevant criminal and civil laws.
- e. If the Bank determines to conduct an administrative review into allegations or other indications of fraud and corruption in connection with the Program, conducted alone, together or in parallel with the government investigation, the Punjab Government will cooperate fully with representatives of the Bank and take all appropriate measures to ensure the full cooperation of relevant persons and entities subject to the government jurisdiction in such investigations, including, in each case, allowing the Bank to meet with relevant persons and to inspect all of their relevant accounts, records and other documents and have them audited by or on behalf of the Bank. If the Bank finds evidence of corrupt practices, the Bank will refer the case to the Punjab Government for investigation under the relevant criminal and civil laws. The Bank may, however, debar private individuals and firms on its own.
- f. The Bank's right to investigate or conduct review does not extend to criminal investigations, which is the exclusive jurisdiction of the Punjab Government.
- g. The Punjab Government will ensure that any person or entity debarred or suspended by the Bank is not awarded a contract under or otherwise allowed to participate in, the Program during the period of such debarment or suspension.
- h. The bidding documents will serve as bidders' source of information regarding the applicability of the ACG to the Program. Compliance will be verified through the Program's annual audits.

C. Environmental and Social Effects

64. An environmental and social management system assessment (ESSA) was conducted in order to review the existing systems for environmental and social management and assess their performance in practice. The ESSA was carried out at the Program level and drew on the Bank's, development partners' and Borrower's existing knowledge, as well as on analyses carried out during the preparation of the PforR operation. Its main conclusion is that there are, largely, adequate policy, institutional, and legal capacity and provisions to ensure that the Program's social and environmental effects are positive. The Bank has agreed with the government on specific actions to strengthen social management systems to ensure positive benefits; these have been incorporated into the Capacity Building Plan.

65. *Environment Assessment.* In terms of environmental risks, the activities planned under the proposed Program do not include any physical interventions such as construction, rehabilitation, or renovation works. Hence, its activities are environmentally benign and will not have any negative environmental effects, cause any loss or conversion of natural habitats, lead to any changes in land or resource use, or cause any environmental pollution. The Program does not trigger the Bank's safeguard policies and, therefore, poses no risk to the environment as a result of planned Program activities. However, the ESSA does reveal areas where the Program could potentially bring about positive, indirect environmental benefits through improved governance—greater transparency or results-based management—which are summarized in Annex 6.

66. *Social Assessment.* The social management assessment shows that the Program operates within an adequate legal and regulatory framework for addressing the types of social issues that are likely to emerge from Program activities. However, the capacity and incentives to implement these aspects is mixed and varies across the departments involved.

67. The social effects of the Program can be separated into three main overlapping areas: equity and inclusion, information ‘loops’, and social resistance. In this context, the Program's activities may contribute to a number of potentially positive aspects in terms of access to services, citizen awareness, increased government accountability and responsiveness, and sustainable change through regular consultation and coordination across departments. There are, however, some social risks involved as some groups may not have access to ICT (the Internet and mobile phones), vulnerable groups face challenges in accessing government information, and resistance from some social groups may undermine the Program's effectiveness. Overall, the main social risk is that the Program's activities may reinforce inequalities in access to services and information through its focus on modern ICT-based interventions.

68. The social risk rating is “moderate”. This is based on the fact that (i) certain groups do have access to certain ICTs and that some of the social dynamics outlined above are deeply ingrained and unlikely to change in the course of a five-year Program; and (ii) the knowledge and capacity of Program institutions in addressing the outlined issues is somewhat limited. The Program already has in place a number of measures to mitigate these risks, such as the use of a helpline and facilitation centers for people in remote areas without access to the Internet; and the use of female agents to put women at ease. Some additional selected actions are proposed in Annex 6. Therefore, the social risk rating is “moderate”.

C. Integrated Risk Assessment Summary

Risk	Rating
Technical	High
Fiduciary	Substantial
Environmental and social	Moderate
DLI	Substantial
Overall risk	High

Risk-Rating Explanation

69. The overall implementation risk is considered ~~high~~ "H", driven largely by country and technical risks. Following the clear mandate given in the May 2013 national elections to the Pakistan Muslim League (Nawaz) in the Punjab and in the center, the political situation is likely to stabilize. Despite this favorable situation in the province, the country risk is still assessed as ~~high~~ because of Pakistan's vulnerable fiscal situation, law and order challenges, and weak governance. The technical risk has also been assessed as ~~high~~ given the complexity of Program design. The proposed interventions are not technically complex, but the capacity of the implementing agencies is weak and implementation of Program activities involve different agencies and layers of government. Thus, some Program activities require strong coordination between the departments administering core public management systems and the line departments using them, and between the provincial and district governments. Appropriate mitigation actions have been identified to minimize these risks and are described in Annex 7. The proposed institutional arrangements aim at facilitating such coordination and provide leadership to the overall reform effort through the Steering Committee. The Bank will work closely with government to monitor implementation and progress.

D. Program Action Plan and Capacity Building Plan

70. A number of assessments (technical, integrated fiduciary systems, environmental, and social) have been undertaken to assess the capacity of the Program's executing and implementing agencies, and to identify any gaps that may require action. The critical actions necessary for enhancing Program systems and mitigating risks are included in the Program Action Plan. These actions, which are legally covenanted actions, have been grouped under three headings: technical, fiduciary, and cross-cutting as set forth in Table 8.1 of Annex 8.

71. Important technical actions required during the first year include actions such as an institutional review of PITB's capacity to implement e-services and performance management; regular meetings of the Program Steering Committee; and the capacity development of PRMP and PPRA. On the fiduciary side, vacant positions need to be filled, internal audit mechanisms established and financial rules approved by PITB. In line with lessons learnt from other PforR operations for the need for technical assistance, DFID EFO funds, managed by the Bank, will also support the Program and capacity building action plans.

72. A Capacity Building Plan has also been prepared for the Program. It includes actions to be undertaken during Program implementation to enhance Program systems and performance, as set forth in Table 8.2 of Annex 8. From the assessments, the actions in the Capacity Building Plan do not form part of the legal obligations of the government in implementing the Program.

Annex 1: Detailed Program Description

The Government's Reform Program

1. The Government of Punjab has developed a five-year Governance Reform Roadmap (–the government's program" or –governance reform program") to strengthen service delivery and financial management systems in the province. Its nine themes represent an ambitious set of coherent interventions focusing on merit, changing structure and incentives, improving monitoring, increasing citizen engagement, leveraging information and communication technology (ICT) tools, increasing knowledge, producing change managers, and so on – for a visible sustained impact on service delivery performance in the province. The expenditure framework of the government's program is presented below:

Table 1.1. Governance Reform Program: Consolidated Expenditure Framework, 2013–2018 (PRs million)

	Financial Year					
	2013/14	2014/15	2015/16	2016/17	2017/18	Total
Theme I. Meritocracy	1,344	1,613	1,936	2,323	2,787	10,003
Theme II. Open Responsive Government	970	1,155	1,376	1,641	1,959	7,100
Theme III. Innovation and Knowledge Management	500	500	500	500	500	2,500
Theme IV. Results-Based Management	688	838	1,058	1,466	1,690	5,739
Theme V. E-Governance	1,721	1,726	1,679	2,001	2,402	9,529
Theme VI. Decentralization	137	165	198	237	285	1,022
Theme VII. Resource Mobilization and Value for Money	20	1,378	609	345	262	2,614
Theme VIII. Public–Private Partnership	50	171	-	-	-	221
Theme IX. Leadership	176	198	244	318	262	1,199
Total Expenditure	5,607	7,744	7,600	8,831	10,146	39,928

2. The following table provides a summary of the rationale and scope for each theme:

Table 1.2. The Governance Reform Program

#	Theme	Scope
I	Merit-based appointments	Merit-based recruitments and the selection of senior managers on the basis of competence are already being enforced. The government's program aims to further strengthen these efforts.
II	Open, responsive government	Following the introduction of the right to information as a fundamental right in the Constitution as part of the 18 th Amendment, the Government of Punjab has started the process of enacting a Freedom of Information (FOI) law. The program aims to support the implementation of the FOI legislation (including setting up enforcement and regulatory bodies), build capacities within the government, and engage civil society organizations. In parallel, the program supports proactive disclosure mechanisms to make information available and disseminated to the wider public.
III	Fostering innovations and	The Punjab Governance Forum 2012 highlighted several homegrown innovations. The program plans to implement the Punjab Innovation Development Fund and

	knowledge management	provide support to mainstream new ideas across the government.
IV	Results-based management	Several departments have introduced performance indicators and performance contracts between the departments and district managers. The education roadmap, supported by DFID, has also shown the benefits of regular evidence-based performance monitoring. The program plans to build on these experiences and mainstream the use of new ICT tools in targeted service delivery departments to improve performance management. Quarterly district-based citizen surveys will facilitate the process of gathering citizens' feedback on the quality of services to complement the government's data.
V	E-governance	PITB has implemented a number of e-government initiatives related to citizen reporting, land management reforms, transportation management, urban development, livestock, agriculture, justice, education, and health among others. The program plans to drive the spread of e-services in the province and scale up the number of services that are delivered in electronic format. The provision of information services will be prioritized.
VI	Decentralization	While Punjab is yet to implement the reversal of the Punjab Local Government Ordinance (PLGO), it plans to transfer the day-to-day delivery of education and health functions to district-level bodies exclusively devoted to these tasks. The governance reform program will provide support to the implementation of the new legal framework, build the capacity of the new institutions, and develop byelaws.
VII	Resource mobilization and value for money	The new autonomous Punjab Revenue Authority (PRA) has taken over the collection of General Sales Tax for services and will eventually assume the task of assessing and collecting key provincial taxes. The Excise and Taxation Department also plans to revamp the Urban Immovable Property Tax (UIPT) administration. The program will build the capacity of these two institutions to undertake their new responsibilities and strengthen their data collection systems and the automation of business-related processes. The Punjab Procurement Regulatory Authority (PPRA) will also be strengthened.
VIII	Public-private partnerships	The Punjab Public-Private Partnership (PPP) Act was promulgated in 2012. PPP potential transactions have made little progress to date. Going forward, the program will support PPP awareness raising and the training of government officials, develop a strong pipeline of market-ready transactions with feasibility studies, and provide transaction advisory support and funding viability gap support.
IX	Leadership for results	The program will provide high-quality leadership and change management training to make it more systematic by allocating greater resources, developing more on-the-job training modules, raising the quality of existing training, and introducing leadership-for-results modules among service delivery managers in the province.

3. While more funding is certainly needed, plugging leakages and improving the efficiency of the existing large apparatus will be the key emphasis of the government's program. It recognizes that visible improvements are necessary to reduce the trust deficit between the state and citizens for the smooth continuation of the relatively nascent democratic process. The government's program envisages that bringing all stakeholders on board – the media, civil society, middle managers, service providers, legislators, etc. – will be a key focus and communication efforts with all relevant groups will be integrated within each effort. Special focus will be given to the dissemination of information among and engagement with youth groups and civil society through the use of social media.

Punjab Public Management Reform (PPMR) Program

4. This operation will support a subset of the government's program named Punjab Public Management Reform Program (–the Program”) that seeks to address key constraints to service delivery. In particular, the Program aims to (i) address existing information barriers to access key services, (ii) improve the management of key services, and (iii) sustain the reform momentum by supporting the creation of fiscal space.

5. The Program Development Objective (PDO) is to improve transparency and resource management of targeted departments of the Province of Punjab.

6. The key outcomes to be achieved are the following:

- Improved citizens' access to information about key services.
- Improved management of key services.
- Improved urban property tax collection.

7. The Program Development Objective will be achieved by a set of interventions under the three result areas that aim to strengthen and institutionalize evidence-based information flows to managers and the public for improved internal and external accountability. For each of these result areas – and building on the ongoing initiatives of the provincial government – the Program will support the following interventions.

8. **Result Area 1: Transparency and Access to Services.** The first set of proposed interventions focus on creating an enabling environment and capacity within the government to improve transparency. Specific activities to be supported include: ensuring that official information is proactively disclosed by targeted administrative departments and their major constituent organizations; establishing automated record management systems within targeted administrative departments; and using smart phones to capture basic information of infrastructure development schemes and publish this online.. This will require individual and firm consultancies, and the training of public officials.

9. Information required to be proactively disclosed includes: the objectives, functions and duties of the department/entity; relevant legislation and rules; a list of services provided specifically to citizens; organizational structure; the names, designations, some biographical information, and contact details for ministers and top officials; the names, designations, and contact details for officers at the provincial, regional, and district level; the number and distribution of employees by service, grade, and tier (provincial, regional, district); the number, type, and spread of facilities; the budget for the current year; and details of major projects/initiatives underway. The complete list of information to be disclosed is set forth in Table 10.1 of Annex 10. The Information and Culture Department is currently driving the process of drafting FOI legislation. Meanwhile, PRMP will implement this result area. As part of the Planning and Development Board, it is well positioned to implement this set of activities.

10. The second set of interventions aim to support the government's agenda to improve the supply of and access to public services by facilitating citizens through the use of ICT-based interventions across the service delivery value chain. The proposed roadmap starts from making

quality information about public services readily accessible, enabling payments through electronic/mobile/branchless platforms, allowing online applications, and eventually introducing back-end automation using a connected government framework. Key activities to be supported are: i) offering information services to citizens on key public services by using ICT interfaces (web, helpline, SMS), and ii) using ICTs for service delivery automation (electronic payments, online application and back end automation) in key services. This will require individual and firm consultancies and the acquisition of ICT equipment.

11. A number of e-government initiatives have already been implemented by PITB under the Punjab Gateway Project with very promising responses. The proposed interventions will focus on learning from and building on these initiatives to avoid redundancies. Increasing access to information about day-to-day public services will be the central focus. Information will be delivered electronically through multiple channels including helplines, SMS-based services, web portals and facilitation centers. Information services will focus on procedural information. The front-end e-services will be supported by integrated, innovative back-end processes and systems to ensure seamless delivery through multiple delivery channels.

12. The required information to be delivered via ICT channels includes: minimum service delivery standards, application form availability; eligibility; documentation requirements; approvals required; fees/taxes/levies; payment mechanisms; offices/locations; timings; process details; turn-around-time; delivery mechanisms; and information channels.

13. PITB intends to use a sophisticated shared infrastructure to connect various government functions to facilitate data sharing for automated processes and protocols, resulting in a comprehensive portfolio of e-services for citizens. These e-services, especially voice-based helplines, will by design enable self-service by citizens, but given the literacy barriers in many rural areas of Punjab, a distribution network of facilitation centers is also envisaged. These centers, partly managed through public-private partnerships, will enable convenient access to services for large segments of the rural population.

14. PITB will drive the proposed interventions within the selected departments. The IT capacity of the departments will be enhanced to ensure the reforms are sustained. These interventions may include: appointing department focal persons at additional secretary level to effectively implement the e-services (and related ICT and Governance) agenda.

15. **Result Area 2: Performance Monitoring.** The proposed interventions under this result area will support PITB to develop, implement, and institutionalize smartphone-enabled evidence-based performance management systems in key service delivery departments. The Livestock and Dairy Development, Irrigation, Agriculture, School Education and Health Departments will implement these interventions. The exact interventions can broadly be categorized into three distinct aspects of the “smart management” cycle – data/feedback collection and analysis; reporting and response; and public dissemination.

16. The first step will be the deployment of low-end Android phones for field-based service providers (e.g. agriculture extension assistants) for data collection. Depending on the service and level of monitoring needed, pre-post activity photographs, attendance photographs, spatial coordinates, and audio or video data will be collected along with basic details of the activity

conducted. Names and cell phones of beneficiaries (for example, farmers who may have obtained deworming services or extension training) may also be collected. This data will be transferred through GPRS, SMS or wireless to a back-end database maintained by PITB. Automated analysis will be conducted at the back-end for the generation of automated reports on the dashboard. This will be accompanied by the collection of feedback from beneficiaries on a sample basis, using the cell phone numbers collected earlier by the call center deployed by PITB. This feedback will serve as a key quality check on the services rendered. These two kinds of reports will be amalgamated to present various comparative performance indicators, starting from the individual to the facility to the district. Emphasis will be given to the visual presentation of data.

17. Secondly, reports at various layers of aggregation will be circulated within the government at all levels. These will be automatically e-mailed, faxed, or mailed to various managers in the field and to PRMP. This information will support senior management in policy and resource decisions, and the district management in undertaking evidence-based performance management. The shared infrastructure built by PITB will provide this analysis service to participating departments. Senior provincial government officials will provide monthly comments and feed questions into the dashboard. Field managers at the district level and below will respond to the performance reports directly through the dashboard. Remedial or punitive actions taken will also be required to be reported. This systematic feedback loop will increase the use of the performance information by the concerned service delivery managers at all levels of the department. PITB will regularly review the performance data and submit reports to PRMP and the secretaries of departments. The targeted departments will also present their analysis to the Steering Committee. Every year, the SC will review reports prepared by the targeted departments and synthesized by PRMP suggesting changes in resources and in the monetary and non-monetary incentives of service providers and field managers to ensure effective implementation of the concept and improvements in service delivery.

18. Thirdly, periodic performance reports will be made public. Day-to-day data will also be made public, barring services where cultural constraints may limit the public display of attendance photographs of female workers. Public participation and pressure is expected to increase the incentives of senior politicians and managers to improve performance.

19. Suggested field and extension personnel/services where this approach will be implemented include: the Health Department (supervision services, vaccinators, nutrition supervisors, maternal and child health program); Livestock Department (supervision services, livestock assistant vaccination/deworming); Agriculture Department (agriculture extension officers and assistants); School Education Department (education supervision, monitoring and evaluation assistants); and Irrigation Department (canal water flow monitoring).

20. The GoPb/PITB has already successfully experimented with smartphones for data collection and monitoring purposes in a wide variety of projects – managing the dengue epidemic, monitoring the movement of the management tier of the Health Department, and management of women health supervisors in Layyah district under the maternal and child health program. The proposed interventions will build on these pilots. The smartphones and dashboards will be hosted and managed by the shared infrastructure of PITB, including service desks for field support and centralized agreements with telecom operators. These interventions will be

implemented in a phased approach, initially possibly piloted in the districts covered under the DFID SNGP and gradually extended to other districts over the course of the five years. The capacity of PITB as well as of provincial and district managers of departments will have to be enhanced, especially to manage the process and analyze data. Incentives can also be introduced to encourage sustained data reporting using cell phones.

21. Key activities to be supported under this result area are: (i) the implementation of a data collection system based on smartphones and other inexpensive mobile-phone based ICT systems in key service delivery departments; (ii) production of performance reports for decision making; (iii) gathering administrative and citizens' feedback; (iv) and public disclosure of the performance reports. This will require individual consultancies and acquisition of ICT equipment.

22. **Result Area 3: Resource Management.** The first two result areas focus mainly on squeezing more results from existing budgets and personnel. However, improving service delivery also requires more resources. The third result area focuses on improving resource management by improving efficiency and transparency within tax administration and procurement processes.

23. **Result Area 3.1: Reforming Provincial Taxes.** The proposed interventions for the first sub-result area include supporting the Excise and Taxation Department to improve the administration of Urban Immovable Property Tax (UIPT). Specific interventions include developing a digital database of property records to improve tax collection and implementing revised ICT-based business processes for improved tax collection, especially billing, compliance and performance management. This will require individual and firm consultancies and acquisition of ICT equipment.

24. The government has reviewed the Sialkot digitization of property records pilot project and has decided to expand the scope of the pilot to include all new properties in the district. The provincial digitization of property records and related improvements in business processes will build on the lessons learnt from this pilot and on a related randomized control trial testing the impact of incentives on tax collection being conducted by the International Growth Centre. The Excise and Taxation Department will implement the interventions under this result area.

25. **Result Area 3.2: Reforming Procurement Practices.** Under this sub-result area, the PPMR Program will focus on developing a procurement performance management system to capture the major features of procurement performance (procurement plans, invitation for bids, tender documents, evaluation and award summary and contract information, days from tender to award, number of bidders, final price versus bid price, nature of contracts, nature of bidders, contract completion times, kinds of procurement processes adopted, etc.) of major procuring agencies of targeted departments; developing and implementing a training strategy by the Punjab Procurement Regulatory Authority (PPRA); and developing an e-procurement strategy for phased implementation at a few departments/procuring agencies. PPRA will implement the interventions under this result area. This will require individual and firm consultancies and training, and acquisition of ICT equipment.

26. **Areas included in the government's program that are not supported by the Program.** The scope of the interventions is influenced by the need to contain the Program scope and also to maximize impact with a select set of feasible interventions that address the identified critical binding constraints to service delivery (i.e. data collection, performance management, and access to information and services). Public-private partnerships, for example, are not being supported in the first phase of the PPMR Program because it is deemed more prudent to consolidate gains through a narrower focus on the three more feasible and high-priority themes (Themes II, IV and V). Moreover, not all aspects of a chosen theme are being supported, as described in the next paragraph. For instance, while Theme II (open, responsive government) of the government's program includes the reform of the Ombudsman office and anti-corruption offices, the Bank's support will focus on FOI-related activities and other ICT-based transparency, participation, and citizen engagement efforts. Similarly, sub-themes such as the restructuring of departments, while important, represent more risk and are not being directly supported by the Bank. Themes/sub-themes currently not being supported, may, however, be taken up in the future with additional financing if found technically feasible and if the government is so interested.

27. **Boundaries of the Program.** As explained before, the PPMR Program to be supported by this operation covers a portion of the government's program with boundaries defined in terms of the activities to be supported; the public management systems and institutions to be strengthened; and its functional focus:

(c) *Supported Activities.* The PPMR Program will provide support to Theme VII of the government's program and a subset of activities under Themes II, IV, and V as follows: Theme II activities to improve the transparency of government departments; Theme V activities to support citizens' access to key services, and Theme IV activities to improve data collection and performance management in targeted departments. (See Table 1.1 for details.)

(d) *Public management systems and institutions.* The PPMR Program will focus on (i) strengthening the information management systems currently in place in Punjab to collect information, monitor service delivery, manage public procurement and property taxes, and engage citizens; and (ii) improving the capacity of the public institutions that administer/support them (that is, PITB, PRMP, PPRA and E&TD). The seven targeted departments²⁹ are the direct beneficiaries of these systems.

(e) *Functional focus.* To leverage the synergies between different interventions and support the government in sustaining the focus on key results, the PPMR Program will target the implementation of the defined activities in seven departments (in addition to the implementing agencies). The targeted departments (and the key identified services) constitute a substantial bulk of citizen interaction and government expenditure.

²⁹ The targeted departments are: Livestock and Dairy Development, Agriculture, Health, Higher Education, School Education, Irrigation and Power, and Local Government and Community Development.

Table 1.3. The Program

Governance Reform Program	PPMR Program (“the Program”)			
	Result Area	Activities to be Supported	Implementing Agency	Targeted Users
<p><u>Theme II. Open Responsive Government</u></p> <p>Objective: to improve transparency and access to information, develop the capacity of accountability institutions, and strengthen stakeholder engagement.</p> <p><u>Theme V. E-Governance</u></p> <p>Objective: to support the use of ICT in service delivery, including strengthening the legal and regulatory framework, building capacity within regulatory bodies, and using ICT to automate public services.</p>	<p>Result Area 1. Transparency and Access to Services.</p> <p>Objective: to improve citizens’ access to information provided by targeted departments and facilitate access to key services.</p>	<ul style="list-style-type: none"> Proactive disclosure of official information; establishing automated record management systems within key departments; and using smart phones to capture basic information of infrastructure development schemes and publishing online development projects. Offering information services to citizens on key public services by using ICT interfaces (the Web, helplines, SMS). Using ICT to automate service delivery (electronic payments, online application, and back-end automation) in key services. 	<p>PRMP</p> <p>PITB</p>	<p>Implementing agencies and targeted departments as per Table 10.2 of Annex 10.</p> <p>Key services as per Table 10.3 of Annex 10.</p>
<p><u>Theme IV. Results-Based Management</u></p> <p>Objective: to roll out results-based management across the government, including data collection and management, human resource management, performance incentives for public servants and local governments, minimum service delivery standards, and citizen charters.</p>	<p>Result Area 2. Performance Monitoring.</p> <p>Objective: to support performance monitoring and make performance information available for decision-making.</p>	<ul style="list-style-type: none"> Implementing a data collection system based on smartphones in key services provided by field workers. Producing performance reports for decision making, gathering administrative and citizens’ feedback; and public disclosure of performance information. 	PITB	Departments in charge of delivering key services specified in Table 10.4 of Annex 10.
<p><u>Theme VII. Resource Mobilization and Value for Money</u></p> <p>Objective: to improve the province’s capacity to mobilize resources and better manage expenditure.</p>	<p>Result Area 3. Resource Mobilization and Value for Money.</p> <p>Objective: the same as the government’s theme.</p>	<ul style="list-style-type: none"> Developing a digital database of property records and implementing revised ICT-based business processes to improve tax collection. Developing and implementing a procurement performance management system, disclosing key procurement documents, and implementing e-procurement. 	<p>E&T Department</p> <p>PPRA</p>	<p>All districts in the province.</p> <p>Selected organizations as per Table 10.5 of Annex 10</p>

Implementation Arrangements

28. **Program Steering Committee.** A steering committee headed by the chairperson of the Planning and Development Board will be established to oversee implementation, provide strategic direction and guidance, and facilitate coordination between different departments and levels of government. The steering committee may refer any matter where a policy decision is needed or there is a major implementation challenge for guidance by the existing three high-level committees- the secretaries committee, the commissioners conference, and the DCOs committee - which are chaired by the chief secretary, to ensure the effective implementation of the Program. In addition to addressing implementation bottlenecks and taking the lessons learnt to other parts of government, these three committees will also help circulate the performance management reports and promote a “results culture” within the public administration. The steering committee will also jointly oversee progress in DFID’s Sub-National Governance Program (SNGP) ensuring that the two programs are viewed as a coherent, unified package of support.

29. **Program Management and Coordination.** PRMP, the executing agency, will support the day-to-day implementation of Program activities, facilitate coordination across different government departments, monitor results, and generate performance and financial reports on Program implementation. It will serve as a secretariat to the steering committee on matters regarding Program implementation, help detect any problems early on, and propose corrective actions.

30. **Implementing agencies.** The Program has four implementing agencies—PRMP (also the executing agency), PITB, PPRA and E&TD—although the systems developed or strengthened by Program interventions will be used by many other government departments. These four agencies will work with the line departments to implement Program interventions in their respective result areas as per their mandate, agreed timelines and sequencing. PITB will also support all Program interventions that require the use of ICT. See Table 1.4 for more details about the Program’s implementing agencies.

Table 1.4 Implementing agencies

Implementing agency	Description
Punjab Resource Management Program (PRMP)	PRMP reports to the Chairman, Planning and Development Board. It has executed several governance reforms projects in the past and will be responsible for overall Program coordination and management. PRMP was initiated by the Government of Punjab with the assistance of the Asian Development Bank (ADB) as a comprehensive reform program to strengthen provincial finances, institutional development, and incentive mechanisms for public service delivery
Punjab Information Technology Board (PITB)	PITB was set up by the Government of the Punjab in 1999 through an ordinance as an autonomous body to develop and implement strategies for the province to achieve its IT potential. PITB is a corporate body under the Planning and Development Department with perpetual succession and a common seal with powers to acquire, hold and dispose of property
Excise and Taxation	The E&T Department administers the Urban Immoveable Property Tax, Motor Vehicle Taxes, Professional Tax, and other provincial

(E&T) Department	taxes and duties. Apart from providing services for the collection of various taxes and duties, it suggests ways and means for additional resource mobilization in the province.
Public Procurement Regulatory Authority (PPRA)	PPRA is an autonomous body under the Services and General Administration Department and is responsible for prescribing regulations and procedures for public procurements. It also monitors procurement by public sector agencies/organizations and has been delegated the necessary powers under the Public Procurement Regulatory Authority Act 2009.

31. The four Program implementing agencies will be directly responsible for the technical quality of implementation and for fiduciary management. PRMP, the executing agency, and the WB-DFID EFO teams will provide technical assistance. The four implementing agencies will conduct their own procurement. PRMP will maintain the financial records of the Program and provincial government financial management procedures will apply. PRMP will also monitor the environmental and social impact of the Program, and conduct the required third-party performance and quality audits, compile monitoring data based on agreed protocols, and submit the required disbursement applications.

32. **Partnership with DFID.** The PPMR Program is being developed in close coordination with the Sub-National Governance Program (SNGP) supported by DFID. The PforR operation will focus on cross-cutting interventions that complement SNGP, whose main focus is incubating service delivery innovations at the district level. PPMRP and SNGP share similar objectives and have been designed to support the same government reform program. They will share implementation structures—the project management unit and the steering committee—which will facilitate coordination and exploit the synergies between the activities to be supported at the provincial and district level. And they are expected to directly reinforce each other’s activities – progress in one program is likely to facilitate progress in the other. In addition, DFID’s externally financed output (EFO) funds, to be managed by the Bank, will support the Program’s implementation by providing parallel financing to some of the activities included in the Program Action Plan and Capacity Building Plan.

33. **Collaboration with WBI.** Subject to availability of resources, the government’s and World Bank team’s efforts will be reinforced by the World Bank Institute’s Leadership Program, which will facilitate dialogue, coalition-building and goal-setting among the key implementers and policy makers from the government’s end. The WBI’s Leadership for Results Program will contribute to the goal of joint working by providing coaching and convening support for key actors in the implementation phase. It consists of a two-track learning-by-doing process, including: (i) facilitating periodic high-level platforms for political and operational leaders to collaborate for problem-solving, reinforcing alignment with priorities, and learning from international good practice; and (ii) utilizing a results-based management tool known as Rapid Results Approach (RRA). The RRA involves coaching and training of teams and individual leaders in 100-day cycles. The RRA follows the project results framework and helps teams deliver the results under their responsibility.

Annex 2: Results Framework

Program Development Objective: <i>To improve transparency and resource management of targeted departments of the Province of Punjab.</i>												
PDO Level Results Indicators	Core	DLI	Unit of Measure	Baseline	Target Values					Frequency	Data Source/ Methodology	Responsibility for Data Collection
					Yr 1	Yr 2	Yr 3	Yr 4	Yr 5			
PDO Indicator 1: Number of telephone calls received by the Citizen Contact Centers to seek information about key services		X	# Telephone calls	50,000 (2013)	65,000	150,000	250,000	400,000	750,000	Annually	Contact Center and Telco reports/Independent Audit	PITB
PDO Indicator 2: Decision-makers ³⁰ using reliable service delivery information for improved management as measured by percentage of reports triggering managerial action			% percentage of reports triggering managerial action ³¹	0	Feedback format, coverage and frequency to be established	At least 20%	At least 30%	At least 45%	At least 60%	Twice annually	Dashboard reports	PITB
PDO Indicator 3: Urban property tax collection	<input type="checkbox"/>		Total annual property tax collection in Rs million	PRs 4,657 million (2013)	5,049	5,474	5,935	6,435	6,977	Annual	District Accounts Office verified reports consolidated at provincial level by the Excise and Taxation Department	Excise and Taxation Department

³⁰ Decision makers mean supervisory officers at the district, divisional and provincial level.

³¹ Measured by the number of agreed periodic administrative reports submitted into the dashboard, on a defined template, by the targeted decision makers documenting managerial actions - such as counseling, training, reprimands, incentives, resource rationalization, resource increase etc - they have taken to use the information to improve service delivery for the targeted district services.

IR Area 1: Transparency and Access to Services.												
IR Level Results Indicators	Core	DLI	Unit of Measure	Base line	Target Values					Frequency	Data Source/Methodology	Responsibility for Data Collection
					Yr 1	Yr 2	Yr 3	Yr 4	Yr 5			
IR Indicator 1.1: Targeted organizations publishing updated institutional information on their websites for information of the public	<input type="checkbox"/>	X	#	0	25	50	75	75	75	Twice annually	Online verification of up-to-date defined information per targeted departments/Official Data/Independent Audit	PRMP
IR Indicator 1.2: Public investment projects of targeted departments geo-mapped ³² and published online	<input type="checkbox"/>		%	0	5%	25%	50%	65%	75%	Twice annually	Provincial and district ADPs, PITB dashboard and relevant websites	PMRP
IR Indicator 1.3: Targeted departments with automated records system for defined disclosable information	<input type="checkbox"/>		#	0	0	1	3	5	7	Twice annually	Department progress reports	PRMP
IR Indicator 1.4: Information about key services available to the public through the Contact Center	<input type="checkbox"/>		#	2	5	20	25	30	30	Twice annually	PITB information systems and Telco reports	PITB

³² Geo-mapping means capturing information through smart phones to map basic information of the development schemes.

IR Indicator 1.5: Services available via ICT applications	<input type="checkbox"/>		#. of services accepting online applications	1	1	2	4	9	13	Twice annually	System reports	PITB
			#. of services using online processing	3	3	4	5	6	7	Twice annually	System reports	PITB
			# of services accepting mobile payments	0	0	0	2	7	10	Twice annually	System reports	PITB
IR Indicator 1.6: Functional facilitation centers	<input type="checkbox"/>		#	0	0	12	36	36	36	Twice annually	PITB Documents	PITB
			# of centers using PPP model	0	0	0	50	100	300	Twice annually	PITB Documents	PITB

IR Area 2: Performance Monitoring												
IR Level Results Indicators	Core	DLI	Unit of Measure	Baseline	Target Values					Frequency	Data Source/ Methodology	Responsibility for Data Collection
					Yr 1	Yr 2	Yr 3	Yr 4	Yr 5			
IR Indicator 2.1: District services being monitored by smart management tools	<input type="checkbox"/>	X	#	18	50	90	130	180	180	Twice annually	Dashboard reports from service providers/Independent Audit	PITB
IR Indicator 2.2: District services for which proactive citizen feedback is collected.			#	Feedback mechanisms for targeted services to be developed.	5	50	75	100	100	Twice annually	Dashboard reports	PITB
IR Indicator 2.3: District services for which performance information and citizen feedback is published online.			#	Publication and dissemination mechanisms to be developed.	30	75	100	150	180	Twice annually	Dashboard reports	PITB

IR Area 3: Resource Management												
IR Level Results Indicators	Core	DLI	Unit of Measure	Baseline	Target Values					Frequency	Data Source/ Methodology	Responsibility for Data Collection
					Yr 1	Yr 2	Yr 3	Yr 4	Yr 5			
IR Indicator 3.1: Districts with functional digital property registry	<input type="checkbox"/>		#	0	5	10	28	32	34	Twice annually	E&T Digital Property Registry	E&T
IR Indicator 3.2: Properties added to the property registry		X	#	3,227,899	97,000	133,000	138,000	144,000	150,000	Annually	E&T Property Registry; Independent Audit	E&T
IR Indicator 3.3: Targeted contracts processed through basic e-procurement modules in targeted organizations.			%	0	Basic e-procurement modules designed	Basic e-procurement modules introduced	25% of targeted contracts processed through basic e-procurement modules	50% of targeted contracts processed through basic e-procurement modules	75% of targeted contracts processed through basic e-procurement modules	Annually	PPRA	PPRA
IR Indicator 3.4: Targeted organizations using PPRA MIS for targeted contracts.	<input type="checkbox"/>	X	#	0	MIS designed and tested	25	50	75	100	Annually	PPRA MIS/Official Documents/ Independent Audit	PPRA

Annex 3: Disbursement Linked Indicators, Disbursement Arrangements and Verification Protocols

Table 3.1. Disbursement-Linked Indicator Matrix³³

	<i>Total Financing Allocated to DLI (US\$M)</i>	<i>As % of Total Financing Amount</i>	<i>DLI Baseline</i>	<i>Indicative timeline for DLI achievement</i>				
				<i>Year or Period 1</i>	<i>Year or Period 2</i>	<i>Year or Period 3</i>	<i>Year or Period 4</i>	<i>Year or Period 5</i>
DLI 1 Targeted organizations publishing updated institutional information on their websites for information of the public				25 ³⁴	25	25		
					25 ³⁵	50	75	75
Allocated amount:	5	10%	0	1	1	1	1	1
DLI 2 Number of telephone calls received by the Citizen Contact Centers to seek information about key services			50,000	15,000 ³⁶	85,000	100,000	150,000	350,000
				50,000 ³⁷	65,000	150,000	250,000	400,000
Allocated amount:	10	20%		2	3	2	2	1

³³ Refer to Table 3.3 of Annex 3 for further details of disbursement arrangements for each of the DLIs in this Table 3.1.

³⁴ This row lists the indicative number of new targeted organizations for each Period.

³⁵ This row lists the number of targeted organizations sustaining the results in each Period.

³⁶ This row lists the indicative number of Additional Calls that exceed the maximum number of Core Calls for each Period.

³⁷ This row lists the maximum number of Core Calls for each Period.

	<i>Total Financing Allocated to DLI (US\$M)</i>	<i>As % of Total Financing Amount</i>	<i>DLI Baseline</i>	<i>Indicative timeline for DLI achievement</i>				
				<i>Year or Period 1</i>	<i>Year or Period 2</i>	<i>Year or Period 3</i>	<i>Year or Period 4</i>	<i>Year or Period 5</i>
DLI 3 District services being monitored by smart management tools			18	50 ³⁸	40	40	50	-
				-	50 ³⁹	90	130	180
Allocated amount:	15	30%		3	5	3	3	1
DLI 4 Properties added to the urban property registry			3,227,899	97,000 ⁴⁰	133,000	138,000	144,000	150,000
Allocated amount:	15	30%		3	5	3	3	1
DLI 5 Targeted organizations using PPRA MIS for targeted contracts			0	MIS tested	25 ⁴¹	25	25	25
				-	-	25 ⁴²	50	75
Allocated amount:	5	10%	0	1	1	1	1	1
Total Financing Allocated:	50	100%	-	10	15	10	10	5

³⁸ This row lists the indicative number of the new district services in each Period.

³⁹ This row lists the number of sustaining district services in each Period.

⁴⁰ This row lists the indicative number of properties added to the urban property registry in each Period.

⁴¹ This row lists the indicative number of new DLI5 targeted organizations in each Period.

⁴² This row lists the number of sustaining DLI5 targeted organizations in each Period.

Table 3.2 DLI Verification Protocol Table

#	DLI	Definition/ Description of achievement	Scalability of Disbursements (Yes/No)	Protocol to evaluate achievement of the DLI and data/result verification		
				Data source/agency	Verification agent (VA)	Procedure ⁴³
1	Targeted organizations publishing updated institutional information on their websites for information of the public Unit of measure: Number of compliant targeted organizations (as per Table 10.2)	Proactive disclosure of key institutional information will promote transparency. Targeted organizations as per Table 10.2 publishing on their website up-to-date information as per Table 10.1.	No	Relevant organization websites/ Official data	A qualified entity	Contracted VA to conduct audit verifying the available information on the website against official up to date information, of targeted organizations' websites. New organizations will be verified during the fourth quarter. To be compliant, the targeted organization must disclose 100% of the information listed in Table 10.1. The information has to be up to date and materially complete. Targeted organizations that have already complied with the information publishing requirements in previous years will need to continue to update the information to be deemed compliant. Organizations sustaining maintenance of updated information over the next years will be verified semi-annually, during the second and fourth quarters.

⁴³ Actual sampling methodology and size may be subject to modification.

#	DLI	Definition/ Description of achievement	Scalability of Disbursements (Yes/No)	Protocol to evaluate achievement of the DLI and data/result verification		
				Data source/agency	Verification agent	Procedure
2	<p>Number of telephone calls received by the Citizen Contact Centers (CCC) to seek information about key services</p> <p>Unit of measure: Number of telephone calls received at the Citizen Contact Centers for information about targeted services as per Table 10.3</p>	<p>Citizens face challenges in accessing information on key services thus increasing their transaction cost. Information about key services of the targeted departments will be made available on helplines to increase access, especially for rural population. The DLI will measure the number of telephone calls received at the contact center. Since citizens will have to pay some of the cost of the call, this will be a good measure to assess the quality of information offered. Services for which information will be made available include those listed in Table 10.3.</p>	No	PITB system reports	A qualified entity	<p>Contracted VA to conduct IT and desk audit, during the fourth quarter, of call data provided by PITB based on information compiled by CCC to verify system reports, review call logs, and data about the content (subject, location, gender etc) of the call. Calls received to enquire about the services of the targeted departments listed in table 10.3 will be counted towards DLI achievement. To verify the accuracy of recording of the subject of the call, a sample audit on 5% basis will be done on calls, checking that the subject is accurately recorded, and extrapolation will be used to determine the final number of accurate calls for the year.</p> <p>The information made available for each service will include the following: application form availability, eligibility, documentation requirements, intermediary approvals required, fee/taxes/levies, payment mechanisms, offices/locations, timings, process details, turn-around time, delivery mechanism, information channels, and grievance redressal mechanisms.</p> <p>Only dial-in (in-bound) calls to the defined numbers advertised by PITB for the CCC for enquires about targeted services will qualify for inclusion. Extension related calls will not be included. Any outbound calls made to citizens will be disregarded. The list of services as per Table 10.3 may change over time and new services may be added as and when required.</p> <p>All calls should have been answered by agents and/or reached a recorded message delivering actual process information resulting in a call time of at least 15 seconds for information provision. Calls must have phone number, time stamp for start and end, and audio recording to qualify for inclusion.</p>

#	DLI	Definition/ Description of achievement	Scalability of Disbursements (Yes/No)	Protocol to evaluate achievement of the DLI and data/result verification		
				Data source/agency	Verification agent	Procedure
3	<p>Services as defined in Table 10.4 are being monitored by smart management tools</p> <p>Unit of measure: Number of district services using “smart management tools”. For the purposes of this DLI, adoption in one district by one targeted service counts as one “district service”. Adoption in 36 districts for the same service counts as 36 “district services”.</p>	Utilization of smart management tools aided by ICT is meant to increase the capacity of managers to manage the service providers delivering key services. This DLI will measure such adoption in the 36 Punjab districts as per Table 10.4.	No	PITB Electronic dashboards will provide compiled field delivery data	A qualified entity	<p>For a district service to be deemed compliant for a month, 50% of the targeted field officials as in Table 10.4 delivering a particular service in a district must submit the required smart-phone “forms” or other mobile phone based data entry tools for 50% of their required monthly activities. Such data entry must be compliant for a minimum of six months during a period to be deemed compliant. For a new district service, compliance of three months during the year will be sufficient. Additional requirements may be agreed in writing between the World Bank and the recipient for any particular service from time to time.</p> <p>The verification agent shall audit and analyze the entries submitted by field workers and officers in the dashboard to evaluate the volume, completeness and regularity of data entry and functionality of the dashboards for each district service based on the mandated activity and indicator reporting requirements display of that particular service. These audits will be conducted in the second and fourth quarters.</p>
4	<p>Properties added to the property registry</p> <p>Unit of measure: Number of new properties in the Form-1 registers maintained under the Urban Immovable Property Tax Rules 1958.</p>	After the GIS mapping digitization intervention to include properties in the tax base, the historical annual rate of addition of new properties in the UIPT registers is expected to increase.	No	Excise and Taxation Dept. property registry	A qualified entity	The contracted VA will conduct an annual audit, on a 5% sample basis of 9 districts (Lahore, Rawalpindi, Faisalabad, Gujranwala, and Multan and four other districts to be selected on a random basis annually from each of the other nine divisions) to verify the addition of new properties in the property registry as reported in the reports prepared by the Excise and Taxation Department. The audit will be conducted once a year during the fourth quarter and extrapolation will be used to determine the final number of new properties for the year.

#	DLI	Definition/ Description of achievement	Scalability of Disbursements (Yes/No)	Protocol to evaluate achievement of the DLI and data/result verification		
				Data source/agency	Verification agent	Procedure
5	<p>Targeted organizations as per Table 10.5 using PPRA MIS for targeted contracts.</p> <p>Unit of measure: Number of compliant organizations</p>	<p>Indicator measures the number of organizations of targeted departments that use PPRA management information system (MIS) for targeted contracts for better management of procurement performance and for increased comparability and transparency.</p>	No	PPRA MIS and targeted departments' procurement documents	A qualified entity	<p>All targeted organizations are required to enter details of their procurement for the targeted contracts in the PPRA MIS. Targeted organizations are defined as administrative departments and attached organizations, as per Table 10.5 of Annex 10. All the cost centers of these organizations, which procure any of the targeted contracts, are also included. Targeted contracts are all contracts requiring competitive bidding as per PPRA rules.</p> <p>The procurement details to be entered into MIS will include, but will not be limited to: procurement plans, invitation for bids, bidding documents, minutes of bid opening, summary of evaluations, contract awards, contract implementation milestones, and contract completion dates.</p> <p>Contracted VA will verify: i) for Period 1, ensure that the MIS is designed, developed and tested functioning as per specifications in the relevant procurement documents issued by PPRA; and ii) For Period 2 through 5, whether targeted organizations are consistently using the standard procurement MIS as stipulated in the PPRA/government administrative instructions by matching details of procurement activities of targeted contracts entered into the MIS with files of the contract maintained by respective organizations.</p> <p>The VE will use a 5% sample audit to verify that contracts that require competitive bidding as per PPRA rules are entered into the MIS for all the constituent cost centers of the organization for it to be deemed compliant. The VA will conduct this audit during the fourth quarter and extrapolation will be used to determine the final number of compliant organizations for the year.</p>

Table 3.3. Detailed disbursement schedule (US\$)

	<i>Allocation per DL</i>					
	<i>Year or Period 1</i>	<i>Year or Period 2</i>	<i>Year or Period 3</i>	<i>Year or Period 4</i>	<i>Year or Period 5</i>	TOTAL
DLI 1: Targeted organizations publishing updated institutional information on their websites for information of the public						
Disbursement per organization	40,000	20,000	13,333	13,333	13,333	
New organizations ⁴⁴	25	25	25	-	-	
Organization sustaining the results ⁴⁵	-	25	50	75	75	
Allocated Amount:	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	5,000,000
DLI 2: Number of telephone calls received by the Citizen Contact Centers to seek information about key services						
Disbursement per hundred telephone calls	1,538	1,333	1,200	750	133	
Telephone calls additional to sustaining the previous year's traffic ⁴⁶	15,000	85,000	100,000	150,000	350,000	
Telephone calls sustaining the previous year's traffic ⁴⁷	50,000	65,000	150,000	250,000	400,000	
Allocated Amount:	1,000,000	2,000,000	3,000,000	3,000,000	1,000,000	10,000,000
DLI 3: Services being monitored by smart management tools						
Disbursement per district service	60,000	55,556	23,077	16,667	5,556	
New district services ⁴⁸	50	40	40	50	-	
Services sustaining the results ⁴⁹	-	50	90	130	180	

⁴⁴ Allocations for New Targeted Organizations under DLI 1 can be disbursed in sequential order if the relevant DLR for such Targeted Organizations is met at any time during Period 1 to Period 3.

⁴⁵ Allocations for Sustaining Targeted Organizations are time bound and can only be disbursed in the specific period in which the DLRs for Sustaining Targeted Organizations are met.

⁴⁶ Allocation for Additional Calls can be disbursed in sequential order if the relevant DLRs for these additional calls are met at any time during Period 1 to 5.

⁴⁷ Allocations for the maximum numbers of Core Calls under DLI 2 are time bound and can only be disbursed in the specific period in which the DLRs for these Core Calls are met.

⁴⁸ Allocations for New District Services under DLI 3 can be disbursed in sequential order if the relevant DLR for New District Services is met at any time during Period 1 to Period 5; DLRs for Period 1 to Period 4 are indicative. The targets in this row may be met at any time during Period 1 to Period 5.

⁴⁹ Allocations for Sustaining District Services are time-bound and can only be disbursed in the specific Period in which the DLRs for Sustaining District Services are met.

Allocated Amount:	3,000,000	5,000,000	3,000,000	3,000,000	1,000,000	15,000,000
DLI 4: Properties added to the property registry	97,000	133,000	138,000	144,000	150,000	
Disbursement per hundred properties added	4,124	4,511	1,449	1,389	667	
Allocated Amount:	4,000,000	6,000,000	2,000,000	2,000,000	1,000,000	15,000,000
DLI 5: Targeted organizations using PPRA MIS for targeted contracts						
Disbursement per organization		40,000	20,000	13,333	10,000	
New organization ⁵⁰	MIS tested ⁵¹	25	25	25	25	
Organizations sustaining the results ⁵²	-	-	25	50	75	
Allocated Amount:	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	5,000,000

⁵⁰ Allocations for New DLI5 Targeted Organizations under DLI 5 can be disbursed in sequential order if the relevant DLR for New DLI 5 Targeted Organizations is met at any time in Period 2 to Period 5.

⁵¹ For Period 1 under DLI 5, the only target is 'MIS developed and tested'. Allocation for this target is time bound and can only be disbursed in this Period 1 in which the PPRA MIS is developed, tested and verified to the satisfaction of the Bank.

⁵² Allocations for Sustaining DLI5 Targeted Organizations are time bound and can only be made in the specific period in which the DLRs for Sustaining DLI5 Targeted Organizations are met.

Annex 4: Technical Assessment

“An essential component of any development planning is data. Without data, a country’s efforts to plan for future growth and welfare of its people cannot be grounded in reality and therefore may be severely flawed.”

Hon. Professor Peter Anyang’ Nyong’O - Former Minister of Planning and National Dev. Kenya

Strategic Relevance

1. Data is the fuel that drives better decision-making. Without valid data, it is impossible to know which programs are achieving their goals and which are not, and it is difficult to identify problems that need to be fixed and where efficiencies can be improved. Building systems to measure how well a government is performing and how efficiently services are being delivered is not an easy task. These systems require government commitment, capacity, collaboration, and, of course, money. What is also needed is a culture that values the importance of using data for solving problems and managing government programs. However, it takes time, often years, to design and build the kind of systems and government capacity necessary to acquire valid data that can be used to improve the management of programs.

2. In Punjab internal administrative data collection and analysis systems have deteriorated - in line with the rapid decline of governance standards in the public sector since the late 1970s in Pakistan overall. In a vicious cycle, the worsening accuracy of data collected from the field has further eroded interest in aggregating and using this information for decision making. The absence of good administrative data is therefore a central constraint impeding performance management. More recently, large school and household surveys – the four-yearly tehsil-level MICS and the annual district-level PSLMS – have provided very good outcome-level data but these surveys, by definition, cannot provide the granularity or the timeliness of activity-level data to hold field-level managers or service providers accountable. .

3. Different sectors have reacted differently to this information challenge. In the education and health sectors, around 900 field-level monitoring and evaluation assistants (MEAs) – all ex-army junior commissioned officers – were hired as parallel data collectors from schools and rural primary healthcare facilities during the mid-2000s. Around the same time, the Irrigation Department constructed an innovative SMS-based system to collect water flow data in the expansive canal system. In the health sector efforts to collect data from the field by placing computers in basic health units, for example, failed to work because of over-ambition, poor connectivity, erratic electricity, high cost and maintenance issues. Meanwhile, the excise and taxation, and agriculture and livestock administrative systems, with the exception of one or two notable efforts, continued to decline. The relatively nascent Public Procurement Regulatory Authority, on the other hand, has yet to start developing an information system. The MEA system has been used extensively for the DFID-led Education Roadmap effort (Barber, 2013). Considered a best practise for many reasons, it has also been criticized on several grounds. It has started to show signs of poor quality with reports of inspection forms being filled from home. Complete reliance on a third party has decimated internal supervision and data collection mechanisms. In the Irrigation Department, the accuracy of SMS-based data collection by internal third parties, having pushed the boundaries of innovation, is often disputed by internal managers.

Moreover, even the MEA system did not envisage the collection of data on the field activities of maternal and child health workers, vaccinators, and nutrition supervisors.

4. The Program aims to improve these data collection systems in several ways. For field-level service delivery by a livestock vet, for example, low-end smartphones will be deployed to collect and transmit data from the field. More importantly, the use of spatial and visual data and the collection of beneficiaries' cell numbers for feedback will push the boundaries of what is observable and thus tremendously improve the quality, accuracy, and granularity of the data. For the Excise and Taxation Department, tax billing and collection information, overlaid with GIS data, will help improve collection and performance management. For procurement, simple management information systems will capture the basic features of various contracts to enable the benchmarking of various baselines and to facilitate the comparison of prices and suppliers.

5. The collection of quality data is the necessary foundation of a good management system but it is not sufficient. The Program envisages several other measures – encapsulated in the DLIs, Program Action Plan and implementation arrangements – to complete the information loop for sustained change in behaviour. Automated analysis through a dashboard will provide information to managers on key numbers and rankings. This information will be circulated to all layers of the field via e-mail, fax, mail and SMS. Discussion boards embedded in the dashboard with the required participation of managers (including through SMS) will force the field staff to confront their performance information. The steering committee will also review the analysis. Finally, the allocation of resources and incentives based on the performance data will help to drive the adoption and use of the new systems.

6. Transparency, the other major theme of the PforR interventions, will also help in other ways to improve management. Web-based performance reports, generated through smart performance management, will not be password-protected. External accountability, through the media and civil society, is envisaged to help drive the political incentives to perform. Availability of information about organizations (the location of the public investment schemes, for example) will help increase citizen-state trust and reduce corruption. Equally important, the availability of information about day-to-day service delivery processes, especially through helplines to facilitate access for the vast majority of urban and rural citizens who cannot access the web and are not likely to do so in the near future for a range of cultural, education, and connectivity reasons, will empower citizens vis-à-vis field officials who use citizens' lack of knowledge of processes, among other reasons, to manipulate and extort bribes. (More front- and back-end automation is needed to launch a full frontal attack on corruption in service delivery – and these interventions are also envisaged over time – but the initial focus will be on the provision of information).

7. Will these sets of interventions remove all the binding constraints for improved management of service delivery departments in Punjab? This is unlikely. Major structural issues like political interference, weak citizen voice, dysfunctional salary systems, and civil service rigidities, to name a few, are likely to remain. However, strengthening management with improved internal and external flow of information will help, in due course, to improve the coverage and quality of service delivery.

8. In addition, the Program leverages the possibilities that new information and communication technology (ICT)⁵³ provides new ways to collect, analyze and circulate data and to engage citizens for effective governance reforms. For almost two decades, many governments have used ICT tools to improve the accountability of service delivery, service uptake, and even service performance. Today, the use of the Internet, and feature and smart phones, are three of the more modern tools that provide opportunities for developing countries to ‘leap-frog’ in some areas. For Pakistan, the opportunities to use ICT have never been greater. According to the Annual Report of the Pakistan Telecommunication Authority, in 2008 Pakistan was already the world’s third fastest-growing telecommunication market (PTA, 2008). While broadband internet use is still low, it is rapidly growing along with the number of cell phone users, which had crossed 120 million users in 2012 (PTA, 2011-2012).

Technical Soundness

9. The Government of Punjab is fully committed to reform, not in words but in action. While it asks for additional World Bank support, the province is already testing and experimenting with numerous efforts to deploy ICT as a means to ‘reinvent’ its government (IRG, 2012). For example, a number of government departments are already using ICT on a pilot basis to automatically process and present information in formats that can be viewed in real time. These departments can then make timely interventions to improve performance management and service delivery. Android phones are being used to capture and submit data to an online database. Examples of these ICT-based interventions are the Dengue Monitoring System developed by PITB and pilots under the Punjab Health Sector Reform Program and Maternal and Child Health Program⁵⁴.

10. **Lessons Learned.** The design of the Program is strongly influenced by lessons learned from previous reform attempts and international experience. Earlier governance reform projects in the province include three ADB-funded programs – the Access to Justice Program (ADB, 2011), Decentralization Support Program, and Devolved Social Service Delivery Program (ADB, 2012) – that ran in all four provinces from 2002 to 2006. Major Punjab-specific programs include ADB-DFID funded Punjab Resource Management Program (PRMP) and its successor, the Punjab Efficiency Improvement Program that focused on cross-sectoral issues like debt management, private sector development and civil service reforms. Unfortunately, several factors contributed to the absence of visible impact of these large governance programs on service delivery. The Police Order 2002 and Local Government Ordinance 2001, the two major reforms introduced after the military takeover in 1998 and on which three of these programs were premised, were never fully owned by most major political parties. Their focus on upstream reform also failed to catch political and public attention.

⁵³ Information and Communication Technologies (ICTs) mean any electronic, web or mobile technology or any combination thereof.

⁵⁴ See website Link for details:

- i. Dengue Tracking: <http://www.pitb.gov.pk/dengueTracking>
- ii. Health Department: <http://221.120.222.129/phsrp/map/>
- iii. Lady Health Worker Program: <http://lhwp.punjab.gov.pk/website/Home.aspx>
- iv. PRMP: www.punjab-prmp.gov.pk

11. The choice of targeted departments and services reflects the focus on service delivery. These seven departments – school education, livestock, irrigation, agriculture, health, local government, and higher education – constitute the vast bulk of state-citizen interaction and therefore any service delivery improvements are likely to be much more visible and generate and sustain political ownership.

12. Recent diagnostics conducted by the Bank and others also support the need for the public management interventions included in the Program. In particular, the PEFA 2012 assessment conducted by the Bank rated revenue collection and procurement processes as “D” and highlighted several possible areas of improvement in these two critical areas (World Bank, 2012 A). The report also suggested citizen oversight of budgeting and execution processes as a possible area of reform. The suggested reforms in property tax administration are also based on substantial analytical work conducted by the Bank in 2008 and by DFID in 2011-12, and on international experience of property tax administration.

13. In emphasizing citizen engagement, transparency and ICT, the Program also picks up the lessons of the 2012 Bank Governance and Anticorruption (GAC) strategy. The GAC strategy notes that citizens, armed with unprecedented opportunities to access and share information because of new communication technologies, are increasingly unwilling to accept a passive role in society and are demanding the rights and the responsibilities of citizenship. The GAC strategy says that citizens seek a relationship with their government based on transparency, accountability and participation, asking for a sense of fairness in the distribution of material gains, as well as a say in how they are governed (World Bank, 2012 B).

Institutional arrangements

14. Adequate arrangements have been put in place for Program implementation. A Steering Committee will be established to oversee implementation and facilitate coordination among the agencies involved. As outlined in Annex I and Section III of the PAD, the roles of the different agencies involved in Program implementation have been clearly defined and proper accountability mechanisms established.

15. In order to support country systems and institutional strengthening, the Program uses existing government structures and shares implementation arrangements with other donors. The core government agencies responsible for the reforms to be supported by the Program have been selected as the implementing agencies of their respective components. Thus, the Punjab Resource Management Program (also the executing agency), the Punjab Information Technology Board, the Punjab Procurement Regulatory Authority, and the Excise and Taxation Department will be the key counterpart agencies for the three result areas. These agencies will work with the line departments to implement specific reforms as per the mandate, timelines and sequencing assigned. The Punjab Resource Management Program (PRMP) will also assist in coordination and reporting, serving as a Secretariat to the Steering Committee. The Program will share implementation arrangements with DFID’s Sub-National Governance Programme, which aims at improving service delivery at the district level.⁵⁵

⁵⁵ For more details of DFID’s SNG Program see: <http://projects.dfid.gov.uk/project.aspx?project=202367>

Economic Justification

Rationale for public provision

16. The World Bank's Approach to Public Sector Management 2011-2020 –Better Results from Public Sector Institutions” provides a strong rationale for supporting public management improvements (World Bank, 2012 C). As the document states, the size and economic significance of the public sector make it a major contributor to growth and social welfare. The quality of the services provided by the government, and the efficiency, effectiveness and accountability of the public sector machinery are key areas that need improvement. The proposed reform areas – increasing property tax collection in Punjab and supporting cross-cutting areas across government in monitoring, e-service delivery and performance management – provide a clear economic rationale for the intervention.

The Program's economic impact

17. The expected economic impact, though difficult to quantify, is positive in net present value terms. The proposed Program will strengthen the transparency, accountability, and resource management of the Government of Punjab by improving the dissemination of information on service delivery, supporting evidence-based management information systems, implementing e-service delivery, improving tax administration and revenue collection and making procurement practices efficient. While increments in tax collection can be projected, improvements in institutional performance do not easily translate into monetary terms. Moreover, the transversal nature of reforms related to disclosure, monitoring, e-service delivery, and procurement, and the fact that these reforms are implemented alongside other government initiatives, for example a proposed government survey to revalue property zones, make it difficult to attribute the expected outcomes to specific reform initiatives. Despite these difficulties, and based on certain assumptions, the expected benefits of the proposed interventions have been estimated and the results are encouraging.⁵⁶ Three scenarios are assumed with respect to improvements due to interventions in order to estimate the benefits. The benefits of the interventions range from US\$49-82 million. The details are given in the Economic Analysis section.

18. **Transparency:** Transparency is widely seen as critical to reduce corruption in the public sector, promote citizens' participation, and increase trust between the state and its citizens. Lack of information and therefore accountability creates inefficiency in public service delivery. Officials have few incentives to deliver if they are not held accountable for their inefficiencies. Making information public is one method of bringing about scrutiny and accountability. The mechanism of improvement will help public service managers to avoid bad reputational effects and enable them to manage their resources effectively (Haq, 2012).

19. The key cause of poor governance (widely recognized to be a driver of low growth in developing countries) is the information asymmetry among different tiers of the government and between citizens/users of public services and public servants. The proposed interventions aim to address this asymmetry by creating management information systems for internal transparency

⁵⁶ Detailed results are given in Economic Analysis Section.

and disclosure of information to the public for external transparency. Quantifying the benefits of a transparent system is difficult but we are confident that these benefits will certainly exceed the cost of intervention (US\$2.5 million).

20. **Performance Monitoring.** Absenteeism is prevalent within the public sector; the rate of absenteeism of doctors in Basic Health Units is close to 50 percent (Callen, 2013). Anecdotal evidence suggests that absenteeism is even higher for field workers, who are even more difficult to monitor than those posted in stationary facilities. Consequently, the value of services they provide is substantially lower than what they could have provided if working at optimum level. Improved monitoring of service providers in the public sector through smart management – the reduction of information asymmetry between the service delivery layers and their management chain – is expected to decrease government losses. The economic return on this intervention is the enhanced effort of public service providers, the value generated by the extra services provided, and benefits of improved planning.

21. The NPV of investment in this result area is positive, making it financially viable (see Economic Analysis for details). There are about 19,000 workers who will be targeted under this Program and the present value of benefits ranges from US\$11-16 million, which exceeds the value of the budgeted cost (US\$8 million). The benefits include the effort of public service providers against the remuneration they get from tax money, improved public service delivery in the education, health and other targeted sectors – which will help accumulate human capital, thereby enhancing total factor productivity – and fostering the economic growth of the country.

22. **Provision of Information:** The proposed intervention in this result area focuses on saving people's time and money in accessing routine public services by reducing information asymmetries. People, especially in remote areas, have to spend time and money to collect information. Information availability from call centers can reduce this cost through three mechanisms. First, the financial cost is reduced because citizens have to make fewer trips to service delivery centers. Second, the time saved can be spent on productive activities. Third, ~~–facilitators~~/intermediaries often exploit lack of information to charge higher fees and extort bribes. Authentic information given through the intervention will reduce the information gap, thereby leaving fewer opportunities for agents to exploit.

23. The present value of returns on investment in this result area is high, making it attractive to invest in. The proposed intervention will reduce the cost incurred by citizens due to lack of information, and a careful estimate of the discounted value of this saving is US\$24-35 million, while the cost of the intervention is only about US\$8 million. The additional benefits include more time available for productive activities and higher citizen satisfaction, which is at the heart of every public policy.

24. **Mobilizing Resources:** By digitizing their property database, the Government of Punjab will be able to generate more revenues from UIPT, which will be used to invest in basic infrastructure, the maintenance of assets and improvement in the scope and quality of public service provision. A simulation analysis suggests that by digitizing the urban property database, the government will be able to generate about US\$15-30 million (simulated figures under different scenarios of improvement due to intervention) in additional revenues from UIPT over the next ten years, which justifies the cost of the intervention (about US\$26 million). (Other

government program interventions will further increase the returns on this investment but given the uncertainty surrounding their implementation, these enhanced returns have not been taken into account). The total benefit of this intervention is even higher as the properties, once their records are digitized, will generate higher revenues over a long period of time, not just over the ten years. More importantly, these results are based on the assumption that there is no change in tax policy; if the tax system is reformed, then the benefits will be even larger.

25. Enhancing Capacity of Punjab Public Procurement Regulatory Authority: The program focuses on capacitating Punjab PPRA to facilitate improved procurement performance. Punjab PPRA is preparing a procurement roadmap that identifies actions to fill in the gaps in procurement documents, develop a training strategy, set up a monitoring and evaluation system with performance benchmarks, and e-procurement implementation plans. More efficient procurement performance is likely to lead to savings, which in turn could be invested in infrastructure.

Economic Analysis

26. The analysis is based on the assumption that the exchange rate for the current period is PRs100 per US dollar and that it will adjust so as to maintain purchasing power parity in future periods. This implies that the exchange rate would change according to inflation differentials. Therefore, instead of using a discount factor to calculate the present values of expected benefits and costs (in PRs), all calculations have simply been made in US dollars. Three scenarios are assumed for improvements due to interventions in the proposed areas. The overall benefits are estimated at US\$49-82 million with an expected value of US\$ 66.24 million (Table 4.1) whereas the present value of the cost of intervention is about US\$50 million. Hence the net present value (NPV) is significantly positive (US\$ 16.24 million). It is important to mention that these simulated figures do not include benefits from the transparency and efficient procurement System interventions.

Table 4.1. Present Value of Benefits (US\$ million)

		Low	Middle	High
A	Performance Monitoring	10.84	13.56	16.27
B	Provision of Information	23.56	29.45	35.33
C	Digitizing UIPT register	14.99	23.99	29.98
Total		49.39	66.99	81.58
		Expected Benefit ⁵⁷	Cost	NPV
		66.24	50	16.24

27. Performance Monitoring The net present value (NPV) of investment in this result area is positive, making it financially viable. There are about 19,000 workers who will be targeted under this Program and the present value of benefits ranges from US\$11-16 million (Table 4.1, 4.2) which is more than the budgeted cost (US\$8 million). The benefits are estimated assuming

⁵⁷ Expected benefit is calculated assuming 50% probability that middle scenario will happen whereas 25% probability is attached to each polar case.

different absenteeism rates for employees on different pay scales.⁵⁸ The value of these benefits is measured by multiplying a) the average number of days employees are assumed absent; b) per day wage rate; and c) likely reduction in absenteeism through this intervention (assumed to be 20%, 25% and 30%), and then subtracting the value of service delivery, which is otherwise provided by the private sector⁵⁹ (assumed 30%). In addition to the tangible gains, it is expected that enhanced service delivery in these important areas will help accumulate human capital, thereby enhancing total factor productivity and fostering economic growth with an added advantage of monitoring spillover effects in the future.

Table 4.2. Benefits of Intervention: Performance Monitoring

Number of Services	Department	Service	Personnel	Number in the province	BPS	Pay+Perks (US \$ Million)	No of days absent (in 5 Years)	Cost (US \$ Million)	Benefit due to Intervention (US \$ Million)		
									20%	25%	30%
1	Health	General health supervision	EDO, DHO, DDOs	216	17	10.37	120	0.09	0.10	0.12	0.14
2		Nutrition supervision	School Health And Nutrition	1800	17	86.40	120	0.78	0.80	0.99	1.19
3		Vaccination	Vaccinators	3600	7	54.00	500	1.57	2.07	2.59	3.11
4		Maternal and child health supervision	LHSs	1600	11	28.80	500	0.70	1.10	1.38	1.66
5	Agriculture	Agriculture extension	AO	559	17	23.48	180	0.24	0.32	0.41	0.49
6		Agriculture extension	FA	2981	11	53.66	500	1.30	2.06	2.57	3.09
7	Livestock	General livestock supervision	by DO and DDOs	144	17	6.91	120	0.06	0.06	0.08	0.10
8		Vaccination and deworming	VA	3648	9	54.72	500	1.59	2.10	2.62	3.15
9		Artificial insemination	AI	1800	9	27.00	500	0.78	1.04	1.29	1.55
10	Education	Education supervision by EDO,	180+1300	1480	16	44.40	200	0.64	0.68	0.85	1.02

⁵⁸ The choice of different absenteeism rates is based on the nature of the job (field or desk work) and anecdotal evidence available.

⁵⁹ The public sector, to some extent, would replace the private sector in provision of services where interventions are formulated. People purchase services from the private sector if the government cannot provide these adequately and on time. With effective monitoring and more transparent management systems, public service providers will put an effort into provision of public services, which will reduce the reliance of people on alternate mechanisms. This shift from private to public sector carries some cost as those who are in direct competition with the government may be worse off, thus lowering overall societal gains to some extent.

11		Data collection	MEA	929	Pay (100 00)	11.15	500	0.40	0.43	0.53	0.64
12	Irrigation	Canal Level Data Collection		200	17	9.60	120	0.09	0.09	0.11	0.13
								Total	10.84	13.56	16.27

28. **Provision of Information:** The present value of returns on investment in this result area is high, making it an attractive area to invest in. The proposed intervention will reduce the cost incurred by citizens due to lack of information, and a careful estimate of the discounted value of this saving is US\$24-35 million (Table 4.3) while the cost of the intervention is only about US\$ 8 million. The benefits are estimated as a fraction of the extra cost incurred due to lack of information under different scenarios of improvement (20%, 25% and 30%). The additional benefits include more time available for productive activities and more citizen satisfaction, which is at the heart of every public policy.

Table 4.3. Benefits of Intervention: Provision of Information

E-Service Delivery					Saving due to Intervention (Million US\$)		
Department	Service	Avg Monthly No	Relevant Office	Extra cost (\$)	20%	25%	30%
Revenue	Domicile	33,000	Domicile Branch	1	0.396	0.50	0.594
	Property Registration	32,000	Sub-Registrar Office	50	19.2	24.00	28.8
Local Government	Birth Registrations	300,000	Union Council	1	3.6	4.50	5.4
	Death Certificates	30,000	Union Council	1	0.36	0.45	0.54
				Total	23.56	29.45	35.33
Extra cost refers to cost associated with lack of information							

29. **Mobilizing Resources:** By digitizing the property database, the Government of Punjab will be able to generate more revenues from UIPT, which could be used to invest in basic infrastructure, maintenance of assets, and improvement in the scope and quality of public service provision. The simulation analysis suggests that by digitizing the urban property database, the GoPb would be able to generate about US\$15-30 million (Table 4.4) in additional revenues from UIPT over the next ten years, which justifies the cost of the intervention (about US\$26 million). In the baseline case, the tax revenues are assumed to be constant (in dollars) at the level expected in 2013 (assuming 7% growth over the previous year, 2012) for all following periods to 2060. Moreover, simulations are based on the planned intervention in one district in the first year, in two more in the second year, in 12 more in the third year, in six other districts in the fourth year and in the last 14 districts in the fifth year. The total benefit of this intervention is even higher as the properties, once the record is digitized, will generate higher revenues over a long period of time and not just over the ten years.

⁶⁰ The UIPT collection in terms of PR is assumed to increase with inflation, but given the PPP assumption, its \$ value would remain constant.

Table 4.4: Benefits of Intervention: Digitizing UIPT Register

Property Tax Revenues (US\$ Million)				
		Improvement in Tax Collection		
Year	Base Line	5%	7%	10%
2014	42.00	42.06	42.09	42.12
2015	42.00	42.18	42.28	42.35
2016	42.00	42.88	43.40	43.75
2017	42.00	43.28	44.05	44.57
2018	42.00	44.10	45.36	46.20
2019	42.00	44.10	45.36	46.20
2020	42.00	44.10	45.36	46.20
2021	42.00	44.10	45.36	46.20
2022	42.00	44.10	45.36	46.20
2023	42.00	44.10	45.36	46.20
Total	420.00	434.99	443.99	449.98
Difference from baseline		14.99	23.99	29.98

Expenditure Framework

30. The estimated funding envelope for the Program over the next five years is PRs 7 billion (approximately US\$ 72 million). (See Table 4.5). Program funding will be included in the provincial annual budget following the regular budget cycle and all funding (regardless of the source) will flow through distinct budget line items as given in Table 4.5. The Finance Department will report the source of funds in its budget. However, the implementing agencies will see no difference between GoPb funding and the Bank's support to the Program.

31. Financial sustainability is also not a major concern. As mentioned before,⁶¹ fiscal space in Punjab is likely to remain tight over the next few years but, based on historical experience, this is not likely to compromise the delivery of basic services or the availability of counterpart funding to donor-funded programs. The provinces' share in the federation's revenues has been guaranteed through the 18th Constitutional Amendment and as part of the discussions about the 2013 International Monetary Fund (IMF) Program, the government is committed to ensure provincial fiscal surpluses.

⁶¹ See paragraphs # 3 and 4 of the main text.

Table 4.5: PPMRP Expenditure Framework – Bank Supported Themes⁶²

	DDO Code	DDO Code/Development Scheme Cost	Theme Total ⁶³
Theme 2: Transparency & Accountability			
Development Budget			-
New Initiatives (Not Budgeted)			250
Strengthening of PMU/PRMP for open government/transparency related activities		250	
Sub Total Theme 2			250
Theme 4: Result Based Management			
Current Budget			4,724
Agriculture Department	LQ4081	589	
Livestock and Dairy Development Department	LQ4083	218	
Irrigation and Power Department	LQ4086	719	
Excise and Taxation Department	LQ4067	462	
Health Department	LQ4074	1,145	
Higher Education Department	LQ4448	852	
School Education Department	LQ4451	739	
Development Budget			-
New Initiatives (Not Budgeted)			824
Result Based Management System		824	
Sub Total Theme 4			5,548
Theme 5: E-Governance			
Current Budget			935
Information & Technology Board	LQ4429	935	
Development Budget			352
Punjab Gateway Project/ E-Government Initiatives	LE4316	352	
New Initiatives (Not Budgeted)			833
Citizen Contact Center		833	
Sub Total Theme 5			2,120
Theme 7: Resource Mobilization and Value for Money			
Current Budget			-
New Initiatives (Not Budgeted)			2,614
Property Tax Digitalization Program		2,514	
Punjab Procurement Regulatory Authority (PPRA) Reform		100	
Sub Total Theme 7			2,614
Total Government Program Expenditure on Supported Themes			10,532
Total Current plus Development Expenditure of World Bank Supported Themes			7,022
World Bank Supported % of Four Theme Expenditures		67%	
Total World Bank Total financing available (in Million Rs)			5,000
World Bank Support % of Components		71%	

⁶² The estimated funding enveloped for the PPMR Program over the five years is Rs 7 billion. The expenditure framework identifies DDO codes for themes financed through current expenditure. In case of new development initiatives, all activities carried out by the four implementing agencies for achievement of the program objectives will be part of the expenditure framework. The allocations against the above cost centers are indicative and may be adjusted as per Program needs.

⁶³ Exchange rates of July 2013 are used to estimate Pakistan Rupee equivalent.

Results Framework

32. The Program Development Objective (PDO) is to improve transparency and resource management of key departments of the Province of Punjab.

33. The key outcomes to be achieved are the following:

- Improved citizen access to information about key services.
- Improved management of key services.
- Improved urban property tax collection.

34. These results have been selected based on their strategic importance in their respective areas. These indicators go as far as possible on the result chain, considering the capacity constraints and complexities of achieving the proposed reforms. The number of citizens paying a part of the calling cost to access information from the proposed helpline will depend upon the usefulness of information offered. Use of new systems of data collection and monitoring will facilitate change in management behavior. The overall property tax collection will measure the whole range of program interventions.

Monitoring and Evaluation and Disbursement Framework

35. The current monitoring and evaluation capacity is discussed in paragraphs 1-5 above. As discussed there, the Program views this as a central governance constraint and aims to focus on interventions to build the capacity of the implementing agencies to support the service delivery departments. The ICT-based information systems will also facilitate the collection and analysis of data to monitor Program performance.

36. PRMP will have overall responsibility for coordinating monitoring and reporting on the Program result indicators. Each of the four implementing entities described above will be responsible for monitoring the IR level indicators and specific PDO indicators relevant to their area of intervention. PRMP is expected to hire a monitoring specialist to ensure effective Program-level monitoring and evaluation; specific capacity building actions have been included in the capacity building plan to strengthen the monitoring capacity of the other implementing agencies.

37. Similarly, DLIs have been selected to provide incentives for the government to remove bottlenecks that are considered critical for achieving the Program results: providing information on service delivery, building a shared platform for smart monitoring and working with departments to develop performance indicators is critical for improving the management of service delivery departments. In turn, making information available to the public and gathering citizens' feedback will help remove some of the barriers to accessing services and improving external accountability. Since the benefits of these actions might not be seen immediately, the DLIs are expected to provide impetus and incentives to undertake and sustain these actions. Increasing the number of properties registered in the database at a rate faster than the past trend (2.8%) will help expand the tax base. Implementing a procurement management information system is a basic milestone that is likely to face resistance from the lower tiers of the bureaucracy. The selected DLIs try to provide incentives for senior management to support the

reforms. Specific change management actions are also proposed to reduce resistance from public servants affected by the reforms.

38. The disbursement plan also aims to incentivize progress by enabling the faster disbursement of funds if targets are over-achieved. However, some funds are set aside for sustaining results and can only be disbursed during the year. The cash flow is relatively front-loaded toward the first three years to create momentum and provide fiscal space for early investments.

Challenges and Risks

39. The need for strong coordination between different provincial departments and between the provincial government and the districts poses the biggest technical risk to the success of the Program. The Program mitigates this risk by setting up different implementation arrangements that facilitate coordination. (See Annex 1 for details.)

40. Other critical technical risks include weak ICT capacity of government agencies. Earlier IT-based service delivery enhancement efforts were unable to achieve the desired results. An important factor was the unproductive early focus on back-end systems, architecture, platforms and exchanges. Such initiatives are typically capital intensive, technically intricate and are longer-term projects that attract very high levels of resistance. The absence of immediate, tangible results leads to erosion of much needed political support to overcome resistance.

41. Though new ICT systems are not technically complicated and officials can be easily trained to use them, maintenance capacity in departments is limited and PITB finds it difficult to provide day-to-day support. Capacity within departments to develop and sustain IT efforts and PITB capacity and structure to provide this support is therefore a critical challenge. This risk can be mitigated through a shared platform that PITB will build and maintain for use by the departments and improved capacity of PITB to provide support services to the departments.

42. Keeping in view these challenges, especially the potential resistance from vested interests and capacity issues, the interventions have been structured to start from the least resistance, least complicated and most citizen-centric point and eventually to cover the entire value chain. International experience from e-government implementation defines a similar four-stage adoption model – starting from information and concluding eventually with full automation of transaction - to achieve the maximum impact.

43. With regard to transparency and accountability, the main risk is the institutional or vested interest resistance to transparency since the Punjab FOI Act has not been passed yet and departments may be reluctant to proactively disclose the minimum information. There is currently little capacity within the government to establish automated records management systems. Another challenge is that the assumption that civil society and citizens will access such information, especially relating to wider public importance and put pressure on the government, may not bear out because of lack of interest, lack of access, or any other factor.

44. The absence of an FOI law is a definite risk, but this is mitigated by the fact that the provincial cabinet has approved a draft, making it reasonable to assume that it would like to see the legislation passed, especially given the constitutional obligation. A further mitigating factor

is that the planned interventions focus on a select set of agencies and are to be carried out in a phased manner – this limited scope should make the interventions feasible, while the phased approach should generate models and champions that can be replicated by other departments. The capacity of the departments to implement record management systems will be enhanced by involving PITB in building a shared platform and processes for data archiving and access.

45. Due to the complexities involved in eventual shifting of duties from E&TD to PRA, lower motivation can be expected from the employees in E&TD, which could result in lower tax collections until the new system has matured. Resistance to the ICT-based system from vested interests in the field is expected to be high. The medium- to long-term role of PRA in managing or taking over the transition process is also unclear. To mitigate these risks, the Excise and Taxation Department will implement change management efforts to oversee the transfer and the development of UIPT software and organizational and administrative systems. PPRA will be the lead implementing agency for the procurement result area. However, it needs to be adequately resourced and strengthened. Full public dissemination of tenders may be resisted. Rolling out a procurement information system across Punjab will meet capacity constraints. A full e-procurement system is a much more complex exercise and requires, in addition to substantial technical capacity, departmental ownership and several as-yet-missing federal laws. The Program will provide additional resources to PPRA to execute procurement-related activities. The government has already provided additional resources to PPRA this year. PITB has adequate capacity to develop and sustain a procurement performance management information system. As opposed to a procurement management system, this MIS will focus on capturing key pieces of information and not the transaction itself. It will thus be less technically challenging. The phased implementation will also help increase capacity and ownership among agencies.

Technical Assessment of the Result Areas to be supported by the PPMR Program

Result Area 1: Transparency and Access to Services

Result Area 1.1. Transparency

Strategic Relevance

46. Open or transparent government is widely seen to be the hallmark of democratic societies. In fact, those countries that have codified open government by passing FOI legislation are seen to be less corrupt and more democratic. In the current regime in Pakistan, there has been little appetite for moving forward on FOI legislation. There is a federal FOI Ordinance, promulgated in 2002, but it has many shortcomings. It is limited in scope (covering only some federal bodies) and has numerous exemptions, the procedure for requesting information is not straightforward, and it has weak enforcement mechanisms. Implementation has been weak: very few federal bodies have designated FOI officers, there was negligible capacity building for FOI, no public awareness campaign was conducted, only a handful of civil society organizations have persistently used the FOI Ordinance (and many of their requests have not been met), and the appeals mechanism (the Federal Ombudsman) has generally been unable to force compliance by government departments (Idris, 2011). Several federal and provincial special laws also require public disclosure but the provisions are rarely implemented. Most recently, in a landmark

development, the 18th Constitutional Amendment inserted Article 19-A, granting all citizens the “fundamental right” to access to information in all matters of public importance.

47. The government’s Roadmap for reform intends to take advantage of the 18th Amendment by creating an enabling environment for openness and transparency. This result area will support this effort by ensuring that official information is proactively disclosed; establishing automated record management systems within targeted departments; and geo-mapping and publishing online provincial, district and tehsil development projects of the targeted departments. While the enactment of the proposed FOI law will facilitate the implementation of all these interventions, they are not dependent on promulgation of the law.

Technical Soundness

48. Several public policy experts have said that freedom of information is one of the most important underpinnings of democracy. Publicly acquired information is not held for the benefit of officials or politicians but for the public as a whole. Unless there are good reasons for withholding information, everyone should be able to access it. Most importantly, freedom of information is a key component of transparent and accountable government. It plays a key role in enabling citizens to see what is going on within the government, thereby exposing corruption and mismanagement. It is increasingly recognized that states are under an obligation to take practical steps, including through legislation, to give effect to the right to freedom of information.

Result Area 1.2. Access to Services

Strategic Rationale

49. An assessment conducted by the World Bank for e-government initiatives in Pakistan in 2007 identified the 20 most important services for citizens that needed automation. Other reports and studies, most recently the National Commission for Governance Reforms (Hussain, 2007), recommended intensive use of IT to improve government efficiency and service delivery. It listed a set of high-contact citizen services that needed to be prioritized for automation. The bulk of these high-contact services, however, utility payments in particular, fall under the ambit of the federal government.

50. Pakistan has followed global trends in the ubiquitous penetration of telecom services with tele-density levels higher than 70% (PTA, 2011-2012). The growing penetration of cell phones, falling connectivity cost, and easy availability of trained human resources has enabled these dramatic improvements. A variety of handheld devices, inexpensive consumer tariffs and an elaborate bouquet of customized services cater to various segments of the society, transforming traditional business models and processes.

51. At the provincial level, the Government of Punjab has, through the Punjab Information Technology Board (PITB), focused on introducing ICT-based systems and facilitation at both the Government-to-Government (G2G) and Government-to-Citizen (G2C) layers. Several initiatives have been successfully piloted, scaled up and implemented in numerous sectors and functions. Notable examples include: education with online systems to manage secondary education results and admissions; health help lines, disease surveillance and management systems, medicine management systems; land records digitizing and automation; proactively seeking citizen

feedback for services received; agriculture and livestock farmer databases and portals, and a Zimmedar Shehri (responsible citizen) helpline to automate certain complaint functions for City District Government Lahore.⁶⁴

52. This Result Area aims to support the government agenda to improve supply of and access to public services by facilitating citizens through use of ICT-based interventions across the service delivery value chain. The proposed roadmap starts from making quality information about public services readily accessible, enabling payments through electronic/mobile/branchless platforms, allowing online applications and eventually introducing back-end automation using a connected government framework.

53. Increasing access to information about day-to-day public services will be the central focus. Information will be delivered electronically through multiple channels including helplines, SMS-based services, web portals and facilitation centers. Information services will focus on procedural information (documents needed, taxes/fees/rates, grievance redress mechanisms, timing and location of office, etc.) about commonly availed services. The front-end e-services will be supported, over time, by integrated back-end processes and systems to facilitate seamless delivery through multiple delivery channels.

Technical Soundness

54. Easy availability of information about services is associated with increased demand for more accountability. In addition, information on the specific requirements by government can reduce wasted time from frequent visits to government offices at every stage of service delivery, applications, document submissions, discrepancy resolutions, approvals and attestations, contact with field workers, document/certificate receipt, etc.

55. Introduction of e-services can, however, face substantial internal resistance. An effort to automate the examination system of the intermediate and secondary educations boards in the province led to widespread student protests and arson because the system was actively sabotaged by vested interests. Political commitment, however, successfully countered this resistance. Keeping in view these challenges, especially potential resistance by vested interests and capacity issues, the interventions have been structured to start from the least complicated and most citizen-centric point and eventually cover the entire value chain.

56. International experience of e-government implementation defines a four-stage adoption model to achieve maximum impact: presence (the simplest step to provide easy access to information channels); interaction (offers citizens limited interactions like prior appointments, online applications, generating transaction IDs, submitting documents, etc.); transaction (enables access to self-service channels to carry out activities and task electronically); and transformation (the most evolved form, resulting in changes to improve how government operates, collaborates

⁶⁴ See website links for details:

- i. Punjab Education Sector Reform: <http://www.pesrp.edu.pk>
- ii. Punjab Resource Management Program: <http://www.punjab-prmp.gov.pk/>
- iii. PITB Projects: http://www.pitb.gov.pk/projects_sector
- iv. LRMIS: <http://www.punjab-zameen.gov.pk/>

and coordinates across functions and with citizens). The proposed change management process follows this sequence.

57. Communities, especially in rural areas, need timely and reliable information on simple transactions like issuance of certificates, documents, licenses, etc. The only effective way for the mass distribution of information through government departments is through the use of ICTs. IVR/helplines, robocalls and SMS-based services offer alternative channels for making customized information available to targeted segments. Facilitation centers will help create access to rural areas.

Result Area 2: Performance Monitoring

Strategic Relevance

58. Today, development partners across the world have spent billions of US dollars (Kusek & Rist, 2004) to strengthen country capacity to design, build and use data systems to support results-based management. As mentioned earlier, these systems require money, commitment, collaboration, and tremendous capacity to support government reforms. Like Pakistan, many developing governments are “data-poor”. This means they do not have sufficient information from valid data sources to routinely make evidenced-based management decisions.

59. ICT offers new solutions to these countries. With their ability to communicate with individuals, they can collect performance data directly in the field, store the data and report directly to dashboards stored elsewhere. The data can be analysed and reported in several ways, thus supporting results management. Armed with better data, managers can use private (communication of individual poor performance or penalties or rewards, etc.) and public signals (rankings, etc.) to better manage service providers. Consequently, the quality and productivity of government services is enhanced. These phones can replace or reduce the need for comprehensive monitoring and evaluation systems that can cost millions of dollars in hardware and training.

60. ICT innovations using dedicated data collection applications on low-cost entry-level GPS enabled smart phones – for example running the open-source Android platform – provide a radically effective mechanism that can reduce numerous governance problems faced by data-poor countries. Some of the problems that can be solved are: managing service providers who remain absent or fail to conduct assigned tasks, misallocated and misused resources, and non-existent monitoring and evaluation systems to measure service delivery performance and to provide evidence for good decision making. Other problems these applications can help address are the: misalignment of incentives of middle managers and service providers with those of the average citizen, little understanding of the geographical coverage of service provision, lack of quality checks, and little to no feedback mechanisms for beneficiaries. All of these problems currently exist in Punjab.

Technical Soundness

61. The on-going “smart management”⁶⁵ projects in Punjab demonstrate the substantial potential benefits of deploying smart phones to improve management. Electronic transmission of live data from the field, instead of reliance on paper, allows for real-time analysis at the back-end with dedicated reports prepared for managers. The PHSRP Program enables district health supervisors to collect and transfer field data into a live management dashboard that tracks various indicators including staff absenteeism, number of supervision visits, number of patients, and medicine stock-outs. Field officers are also required to send GPS-tagged self-portraits at the visiting health facility to minimize the chances of fake reporting and to ensure actual visits. Callen, Gulzar, Hasnain, and Khan (2013) have demonstrated in a Randomised Control Trial (RCT), funded by the International Growth Centre, in collaboration with PHSRP that required supervisory visits of health inspectors went up substantially in the treatment districts. Several other departments have started pilots to leverage the technology for improved monitoring.

62. The Lahore Sanitation Agency’s (WASA) sanitation monitoring system captures real-time images of WASA officials during site visits to resolve sewerage and related sanitation complaints. PITB dengue monitoring system asks field teams to take pre-and post-photos of an activity to ensure that the activity has been performed. This data is then fed into a live dashboard along with a geo-tagged snapshot of the resolved work. The dengue monitoring spatial analysis is able to detect (and even predict) areas of high dengue incidence to direct larviciding teams to carry out effective prevention before the larvae spreads. Spatial analysis also reveals underserved or un-served areas/neighbourhoods that need extra attention or resources. The Chief Minister Punjab relied extensively on PITB dengue management system to successfully fight the epidemic during 2012.

63. However, improving data collection and information management systems is only one part of the service delivery puzzle. A bigger challenge is aligning the incentives of middle managers for use in decision making and that of service providers for smooth adoption. The PPMR Program plans to manage the incentives of service providers and managers through several mechanisms. Pilots in a few districts will help identify champions, demonstrate benefits and improve the quality of implementation. The Steering Committee will regularly use this information to help decision makers make performance management decisions. Dashboards will automatically circulate performance reports to all tiers who will be required to comment on these. Mandated annual reviews by the Steering Committee will help targeted departments to align institutional arrangements, resource allocation and personnel incentives with enhanced field-level service delivery. Required public disclosure of performance reports will also create pressure to enhance service delivery activities. Easy availability of information also provides avenues for increased citizen engagement.

64. Bannerjee & Duflo (2006) evaluate the impact on teacher absenteeism through the use of date- and time-stamped photos, combined with incentives, for monitoring attendance through a randomized control trial (RCT) experiment. The study concludes that absence rates went down

⁶⁵ Use of smart phones to collect data, including photo and spatial data, from the field, live display on dashboards, and creation and circulation of performance reports.

by half and learning outcomes improved in treatment schools. Several studies have shown that reducing teacher absenteeism – an essential input – leads to improved learning – an outcome. Alvarez et al. (2007) conclude, in an extensive review of the literature on teacher absenteeism, that improving formal supervision is one promising way of decreasing absenteeism.

Result Area 3. Resource Management

Result Area 3.1 Reforming provincial taxes

Strategic Rationale

65. The tax base in Pakistan has been severely eroded by legal tax avoidance and illegal tax evasion brought about largely by poor administration. Provincial tax revenue mobilization in Pakistan is extremely low as the provincial government raises only 0.4% of GDP in tax revenues (i.e. 4% of national tax collection) (International Growth Centre 2011). The imbalance in revenue generation is highlighted by the expenditure figures of the provincial governments, which are approximately 16 times higher than the revenue each province generates. The rate of collection of tax on urban immovable property in Punjab, for example, is one of the lowest in the world - averaging almost 0.026% of GDP. In real terms, the property tax revenue is actually falling. Even by developing country standards, the revenues are modest, as can be seen from Table 4.6. The UIPT yields the second highest revenue collected by the Excise and Taxation Department and represents 34% of the tax revenue collected by the Department (PRMP 2010). As can be seen, UIPT is an important source of revenue for the Punjab Government⁶⁶ but as previous World Bank reports have identified, it is not achieving its full potential. There are 3.1 million properties shown in the current tax base: more than 50% of these properties are exempted under the current UIPT legislation.

66. The World Bank estimated in 2008 that, if an international average for developing countries was used to set the revenue target for property tax, this would imply an increase of 111% over the existing level of taxes.

Table 4.6: Property Taxes as a percentage of GDP

Developing Countries – Europe	
Romania (2005)	0.6%
Serbia	0.3%
Kosovo	0.44%
OECD average, 2004 (23 European countries)	0.71%
International average for developing countries	0.50%
Miscellaneous Other Countries	
Ethiopia	0.5%
Mexico	0.3%

⁶⁶ Urban Immovable Property Tax is collected by the provincial government on behalf of local governments.

South Africa	0.7%
ASEAN Countries	
Indonesia	0.1%
Sri Lanka	0.7%
Thailand	0.3%
Pakistan	0.03%

Source: (PRMP 2010)

Technical Soundness

67. All the previous studies have identified a strong need to computerize the UIPT records and develop a fully automated billing, collection and enforcement system to improve the efficiency of the collection arrangements. Investing in modern IT systems offers key benefits by enabling the introduction of efficient and effective billing, collection and enforcement procedures; release of savings by increasing staff productivity and efficiency; access to online transactional services, which makes life simpler and more convenient for citizens, taxpayers and businesses; and channels to collaborate and share information with citizens, taxpayers, businesses and other government departments. The use of information technology tools helped in providing a better analysis of the target groups for efficient collection and enforcement, and also provided electronic payment facilities both through banks and online payments. Several cities in India have benefitted from the digitization of databases and GIS-mapping.

68. In late 2011, the government decided to undertake a pilot computerization project on the UIPT records in the city of Sialkot (some 55,000 records). The project aimed to digitize the key property tax registers and produce automated bills, increase access to relevant information, reduce workloads, improve tax collection, improve the targeting of tax exemptions, and facilitate efficient record management. Based on these objectives, the proposed software was to consist of a robust database to host PT-1⁶⁷ records and related information, along with the capability to produce demand registers and *challan* forms (PT-8 and PT-10) as well as providing relevant information to senior management to facilitate informed policy decisions. Additionally, digitization of property records and GIS enablement will eventually facilitate linkages with records of other provincial government departments. Piloted in Sialkot, the software was to have the capacity to be rolled out across the province. In the first phase of scaling the Sialkot pilot, the property registries of five large cities (Lahore, Multan, Faisalabad, Gujranwala and Rawalpindi), possessing approximately 70% of taxable properties in the province, will be completed. As recently authorized by the provincial cabinet, the computerization of property registry will be preceded by a comprehensive door-to-door survey, last carried out in 2002, to update property records and reassess rental rates. Revised rental rates can result in substantial increase in tax collection from the same tax base. Digitization of property registry will further help with detected un-assessed and under-assessed properties, expand the boundaries of urban areas, and improve the efficiency of collection. A similar sample survey conducted in Block 23 of Sialkot enables assessment of the impact of replicating this exercise on the entire province.

⁶⁷ PT-1, PT-8 and PT-10 and various registers required under the UIPT Rules.

Table 4.7 highlights the positive difference in number of properties, gross demand and net demand in computerized records after survey from the original PT-1 and PT-8 registers.

Table 4.7: Impact of Survey and Digitization in Block 23 Sialkot

Description	As per PT 1 and PT 8 Registers	After Survey and Computerization	Difference	% Difference
Total No of Property Units	2180	2390	210	9.63%
Gross Tax Demand (Current) (PRs Millions)	4.37	5.53	1.16	21.00%
Exempted Demand (PRs. Millions)	1.06	1.35	0.29	21.50%
Net Demand (Current) (PRs. Millions)	3.31	4.18	0.87	20.80%

69. An almost 10% increase in total number of properties can be translated into an approximate 4% hike in taxable properties in the region. Similarly, an average 21% increase in gross demand and net demand translates into an approximate 15% increase in total collection. Replicating these figures in all districts in the province can result in a significant impact on revenue for the department. Given the political economy constraints, the PDO and the DLI account for relatively conservative, but still substantial, improvements.

70. Result Area 3.2. Reforming Procurement Practices

Strategic Rationale

71. Leading international jurisdictions have increasingly realized that effective national procurement strategies are vital to ensuring optimum delivery of government programs and efficient budget management. In developing countries, where the government is usually the key purchaser of goods and services, public procurement can account for around 25-30 % of GDP (Oshani, Liebert, & Turley, 2013). Robust procurement systems are therefore critical for strengthening a country's expenditure efficiency and consequently for improving social and economic outcomes.

72. Countries such as Pakistan, and in particular the provincial governments to whom much responsibility for service delivery has been devolved, face growing spending needs and must meet them with limited resources. In this context, it becomes crucial to ensure that the available resources are spent in a cost-effective manner. Arguably the most important task in this respect is to ensure the efficiency of public procurement, without which cost-effective service delivery is impossible.

73. Recognizing the importance of efficient procurement systems, GoPb established the Public Procurement Regulatory Authority (PPRA) in 2009 under the PPRA Act 2009.⁶⁸ Provincial public procurement rules were notified in June 2010. PPRA is responsible for

⁶⁸ See website link for details: PPRA Act 2009 <http://punjablaws.gov.pk/laws/497.html>

monitoring the application of the rules, recommending revisions and amendments, making regulations, establishing performance indicators, issuing guidance, preparing standard bidding documents and RFPs, and building the professional capacity of implementing officials.

74. Availability of timely and accurate information is central to efficient procurements. Currently there is no system in the province (or any province or federal level for that matter) that could provide data on public procurement outlays. Budgets and procurement plans are not linked, and no reliable database is available that could consolidate information from various procuring agencies to exhibit the actual universe of the procurement outlays; the category-wise break-up within goods, works and services; type of contracts, i.e. NCB, shopping, direct contracting; the number of bidders applying; timeline for award and typical timelines for a simple or complex contract; and contract completion details.

75. As custodian of the procurement rules and to monitor implementation, it is essential for PPRA to develop such a consolidated database. All that PPRA is resourced to do is to review the published advertisements for procurement and, in case of any deviation, bring it to the notice of the procuring agency. This does not define the universe, nor does it capture the procurements that are not published, nor is the captured information stored in any database. The procurement indicator of the recent PEFA (2012) obtained a low score due to lack of data. PPRA plans to develop an MIS able to capture all procurement data commencing from the plan, advertisement, bidding process, evaluation, award and completion with timelines. This would provide PPRA an opportunity to develop a baseline and monitoring indicators, benchmarking various procuring agencies for their performance and generating annual reports for the information of implementers.

76. The audit function rests with the Auditor General's office, but the annual reports that PPRA is required to prepare may provide technical guidance and raise red flags to make the audit function more efficient vis-à-vis procurement performance. If irregularities are identified, parallel legislations bring in various institutions of accountability to investigate and take action.

77. Currently, PPRA is understaffed with limited technical capacity. Procuring agencies do have some awareness about the rules but the degree and extent of implementation varies depending on the capacity of the staff. Some of the rules are largely followed e.g. PPRA law obligates agencies to upload all tenders above PRs 0.1 million on the site. It charges them for this obligation, which raises much-needed funds for PPRA but disincentivises procuring agencies to publish tenders. Thousands of tenders are uploaded on the site but they are not sortable by agency, class of work, location or cost. There appears to be no active effort underway to disseminate this useful information.

78. Internationally, the way forward for efficient procurements is e-procurement. However, despite the intent to adopt e-procurement in the country and the province, no concrete action has been taken to strategize on the matter. There is a need to assess the procurement rules and all other relevant rules, the capacity of the market and the client, and to prepare an e-procurement strategy.

79. PPRA has drafted a roadmap that identifies major actions, including filling in the documentation gaps (SBDs, SRFPs, implementing regulations, contract management manual),

developing a procurement performance management system, preparing a training strategy (addressing the needs of procuring agencies, PPRA staff as well as auditors), and an e-procurement implementation plan.

80. Two major activities are identified: the development of the procurement performance MIS and the e-procurement strategy. The MIS will immediately address the issue of lack of data and help measure the procurement performance of all the procuring agencies, market responses, and robustness of rules, and identify trends in public procurement. Ideally speaking, the MIS should pick up data from an electronic procurement system, but given that e-procurement takes some time to implement, the MIS data will be manually uploaded. The system will, however, ensure that access is controlled, hierarchies maintained, and data entered on time. When developing the systems, one consideration is that the MIS will need to interact with the e-procurement system as and when functional.

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Annex 5: Summary Fiduciary Systems Assessment

1. In accordance with OP/BP 9.0 an Integrated Fiduciary Systems Assessment (IFSA) was carried out that evaluated the fiduciary systems pertaining to the Program⁶⁹ to determine whether they provided reasonable assurance that the Program funds will be used for their intended purpose. The IFSA comprised an assessment of the fiduciary risks relating to: (i) procurement; (ii) financial management; and (iii) governance (including fraud and corruption risks) and covers the four identified implementing agencies (viz. PRMP, PPRA, E&TD and PITB) and beneficiary agencies which will account for 71% of the Bank-supported element of the Program over the next five years (PRs 5. billion out of PRs 7.0 billion). The expenditure framework provided by GoPb includes a number of further beneficiary agencies. If the expenditure framework continues to develop, further fiduciary work may be necessary. The objective of the IFSA is to provide a reference that can be used to monitor fiduciary systems performance during Program implementation and identify actions, as needed, to enhance those systems. The conclusion of the IFSA is that the overall fiduciary framework is adequate to support Program implementation and to achieve the desired results.

Program Financing and Expenditure Framework

2. Funding for the Program will be provided through GoPb's annual budget and the Program funds will flow through the treasury system. GoPb's expenditure framework for the overall governance roadmap estimates that a total program expenditure of PRs. 40 billion will be required over the next five years to implement the program. The government's program document (Governance Roadmap) and expenditure framework provides clarity regarding the specific Program expenditure to be incurred by the implementing entities.

3. IDA resources under the proposed operation will be part of GoPb's annual budget. The Bank's operation will provide support through budget line items that are accounted towards the Punjab Public Management Reform (PPMR) Program. The total budget for the Bank's financed Program over the next five years is PRs. 7 billion, including new initiatives amounting to PRs. 4.5 billion that are not yet included in the GoPb budget. Although the implementing agencies have initiated the planning process, detailed implementation plan and cost estimates for the new initiatives are not yet finalized. These new initiatives are the primary activities to be implemented by PPMR Program and will need to be a part of the GoPb budget.

Budgeting and Planning

4. The budgeting of the Program expenditures will constitute part of the government budgeting process. The funds for the Program will be appropriated from both current and development sides of the provincial budget.

5. The Government of Punjab (GoPb) has a well-defined budgeting process and reforms are underway to introduce modern practices in financial planning and budgeting. GoPb is implementing a Medium Term Fiscal Framework (MTFF) and a Medium Term Budgetary Framework (MTBF). However, these reforms have not been institutionalized across the government or implementing agencies. Although the MTBF has been introduced, presently, the

⁶⁹ –Program” refers to the Bank-supported Punjab Public Management Reform Program whereas –program” refers to the Government Governance Roadmap.

current and development budget remain separate streams. The MTBF/MTDF has not been extended to PPRA, PRMP and PITB as these agencies/projects are attached to the administrative departments. Though the government has the fiscal space available to implement the Program, it is not part of the government's MTFF.

6. The budget credibility of the implementing agencies is quite low. For the last three financial years, the deviation of aggregate expenditure out-turn compared to the budget was even higher than the provincial average reported by the recent PEFA Assessment. However, the deviation in the composition of expenditure out-turn compared to the approved budget mirrors the provincial average. The following table compares the expenditure out-turn variances of the implementing agencies with the provincial average.

Table 5.1. PEFA Indicators and Program Agencies

PEFA Indicator	Provincial Level as per PEFA 2012	Implementing Agencies
PI-1 Aggregate expenditure out-turn compared to original approved budget	3.45% to 12.52%	13% to 34%
PI-2 Composition of expenditure out-turn compared to original approved budget	14.9% to 26.9%	15% to 26%

7. Limited planning by the implementing agencies, whereby policy objectives are not linked with budget estimates, is a major reason for the higher expenditure out-turns variance. For the PPMR Program, the implementing agencies have initiated the planning process but the detailed implementation plan and cost estimates are not yet finalized. The PC-1 of PRMP has, however, been approved. This may lead to lower budget utilization, which could impact the achievement of Program outcomes. It is imperative for the Program's success that the implementing agencies finalize and obtain approved implementation plans before the close of the current financial year.

8. Although a requirement under the Punjab Public Procurement Rules, 2009 (Rule 8), the implementing agencies do not prepare procurement plans. However, for development projects, details of the items to be procured and estimated cost are included in the PC-I (project approval document). The four implementing agencies have agreed to prepare an annual procurement plan of all the relevant activities as soon as their respective PC-Is for the Program related activities are approved.

9. The four implementing agencies have identified their budget requirements for the Program and are preparing the Program procurement plan. It is envisaged that the Program procurements will include IT goods, consultancies, and non-consultancy services. PRMP has identified consultancy contract(s) for third-party validation of DLIs and results (US\$ 700,000), small office equipment and IT goods. The total Program requirement of PPRA is about US\$ 1 million, which includes consultancies covering the development of an MIS system for M&E, assistance in filling up the documentation gaps (finalizing the SBDs and developing implementation regulations, etc.), developing strategies for training (TNA and curricula) and an e-procurement implementation plan. E&TD is envisaging hiring of services as well as IT procurements. As an option it is also considering hiring the Urban Unit (UU) under single source selection (SSS) to conduct the UIPT survey, process design, development and analysis. In such a case, UU will be required to use the PPRA rules for procurement of goods and services. The

contract cost of UU for *their* services shall remain within US \$ 5 m. Consultancies for PITB are also envisaged to be within US\$ 2.5 million.

10. The procurement of consultancy and non-consultancy services, and small goods shall be done by the four implementing agencies. Given the technical capacity of PITB, the IT goods of all the four agencies will be procured by PITB. Each IT goods contract is not expected to exceed US\$ 3 million.

Funds Flow

11. The Government of Punjab will provide funding for the Program to the four implementing agencies either through a lapsable Special Drawing Account (SDA) or Assignment Account. At present, three implementing agencies (PITB, PPRA & PRMP) operate lapsable SDAs or Assignment Accounts for which they have cheque-issuing authority, while payments of E&TD are processed through the Accountant General.

12. The Government of Punjab transacts its business through a single treasury account. The Finance Department provides reliable information on commitment ceilings to the spending units through periodic releases of funds; however, spending units cannot initiate the procurement process until funds are released. This sometimes results in non-utilization of budget amounts if the procurement process could not be completed before the close of the financial year.

Fiduciary Capacity

13. The implementing agencies have sufficient sanctioned positions for financial management staff to manage the existing workload, but there are a few vacant positions in the financial management unit of PITB and PPRA. To implement the PPMR Program, implementing agencies have identified their requirements for additional financial management staff. The specified additional staff will be hired as indicated in the PAP.

14. The recommended mitigating measures in the areas of budgeting/planning, accounting/reporting and internal audit are anticipated to build experience and skills that will outlast the project itself and spill over into improved financial management in Punjab. The measures are focused in order to prioritize the key themes highlighted in the latest PEFA assessment and to bolster/strengthen capacity in these areas under this particular Program.

15. The innovative use of PIFRA Integrated Financial Management Information System in producing program-level financial statements will also benefit financial management in the province and the lessons learned will bolster the use of the system going forward.

16. Some implementing agencies do not have dedicated procurement staff. At PPRA and E&TD, there is no procurement expert position in the organizational structure whereas at PITB and PRMP the position is available but vacant. PRMP and PITB have managed large procurements in the past but PPRA and E&TD have limited experience and have only carried out small procurements. PRMP has implemented donor-funded programs and has experience in the selection of consultants; it hired a consulting firm for public financial management and civil services reforms under ADB's program at an estimated cost of US\$ 5 million. PITB has undertaken major procurements in goods and consultancy assignments. Given the identified Program needs, it is agreed that the Deputy Program Director PRMP will be the focal point for procurement and contract management; additional staff may be hired for support in contract management if required for the TPV firm contract(s). In the case of PPRA, procurement and

contract management staff will be hired as indicated in the PAP. In PITB, the current structure is quite robust. The purchase committee is notified and comprises one Director General, two joint directors, an assistant director planning, and the concerned director. In case of complex procurements, additional members may also be co-opted. This system is acceptable for the Program procurements. The E&TD office does not have a regular procurement function. A focal person will be identified and expertise developed to manage Program activities. Assistance of PITB may also be explored for ICT procurements.

Accounting and Reporting

17. Each implementing agency will maintain its own books of accounts for Program-related activities on a cash basis, using the government's accounting policies and procedures, which also include a GFS-compliant Chart of Accounts collectively called the New Accounting Model (NAM). PRMP, as executing agency, will be responsible for preparing Program-level consolidated financial reports including quarterly Budget Execution Reports and Annual Financial Statements that will also be shared with the Bank. The Program-level reporting will be complex and the process needs to be finalized.

18. Presently, the implementing agencies maintain their accounts manually and carry out monthly expenditure reconciliation with the Accountant General. Reporting is limited to monthly and annual Budget Execution Reports except for PITB, which prepares annual financial statements.

19. The PEFA 2012 assessment suggested that a management information system for procurement should be considered, with every department assigned an interface. It was suggested that the procurement information system should cover the complete procurement cycle right from procurement planning to contract award including a grievance redress module. Such a system would significantly strengthen management information for procurement reporting purposes.

Internal controls

20. The government has a comprehensive internal control framework comprising the Punjab General Financial Rules (PGFR), Treasury Rules (TR), and Punjab Delegation of Financial Powers Rules (PDFPR) 2006, which will be observed for Program expenditure. Most of these regulations were enacted a few decades ago and have undergone several revisions from time to time. The PEFA Assessment 2012 reports that the controls, though comprehensive, involve the duplications of approvals and multiple reporting, leading to inefficiency. Moreover, it also reported the absence of an effective internal audit function in Punjab. The existence of strong payroll controls (except the absence of periodic payroll audits) was noted during the PEFA Assessment. The Finance Department is in the process of updating certain rules in line with generally accepted best practices and is also working on a proposal to establish the internal audit function.

21. All public procurements are subject to the Punjab Public Procurement Rules (PPPR) 2009, which will also be applicable to the Program. The PPPR are applicable to all government entities as well as autonomous bodies. They acknowledge the principles of fairness, transparency, value for money, equal opportunity, economy and efficiency; stipulate general

competition as the default method of procurement, and provide for pre-disclosed evaluation criteria, limitations on post-bid negotiations, disclosure of evaluation prior to award, and complaint redressal.

22. The implementation of the rules, however, varies. In general, bidding opportunities are advertised on the departmental as well as PPRA website and in national newspapers, but information regarding evaluation and contract award is not published. Punjab PPRA is yet to develop standardized documentation (SBDs, SRFPs, Request for Quotations, Contracts, etc.). PITB has developed customized documents for the procurement of goods, which are used for IT goods and non-consultancy services. All invitations for bids and bidding documents are posted on the website. The procurement process generally follows a two-envelope system, in which technical evaluation (check of responsiveness, compliance and qualification) is done as a first step, the financial proposals of only technically eligible firms are opened and the award is made to the lowest financial bidder. Fine-tuning the process is recommended, i.e. the technical criteria should provide a minimum passing mark. The contract form is also issued with the bidding document and is in general acceptable. For the selection of consultancy services, the guidelines issued by P&D in July 2007 are used. This is an acceptable set of RFP but does not include a form of contract. PPRA will recommend the use of bidding documents for goods and RFPs including contract forms to be used for the Program procurements. Such instructions will be issued by November 30, 2013. In parallel, PPRA is working on developing standard bidding and proposal documents. Once the SBDs and SRFPs are notified, these will be used throughout the province and in the Program. The Bank will remain engaged with PPRA and the Program will support PPRA to ensure that these documents are robust.

23. PPPR Rule 35 requires the announcement of bid evaluation 10 days prior to award, and Rule 47 stipulates the publication of documents related to evaluation and award, upon contract award. There was no evidence of compliance with these rules. There is also a need to clearly identify the minimum information requirement to be disclosed, and its format. The public disclosure requirement under the current rules does not include any obligation to disclose data on complaints lodged and their resolution. The avenue of the PPRA website is provided to increase public accessibility to any information to be disclosed, but it is currently not being optimally utilized for the said purpose and is limited to the extent of bidding opportunities/advertisement.

24. The procurement rules provide for establishing a committee for grievance redress by the procuring agency but do not provide for an independent review process for handling procurement complaints. Currently, the procurement review bodies/committees are ad-hoc and appointed by the head of the department of the procuring agency. PITB has an established system where a DG not concerned with the subject procurement is responsible for handling complaints and reporting to the Chairman. The Program has established a second-tier complaint redress mechanism through the Planning and Development Department. Overall, PPRA intends to define a clear procedure and processes for an independent grievance redress system.

25. The implementing agencies mainly manage contracts for goods and only PRMP and PITB have managed consulting contracts. There are no defined SOPs for contract management and only PITB has notified one of its wings as responsible for contract management. At other implementing agencies, contract management responsibilities are defined on a case-to-case basis. As described earlier, staffing will be carried out in PRMP and PPRA to augment this section, and needs will be identified in the E&TD office as soon as their procurement outlays are defined.

26. Compliance with FM and Procurement internal controls appears fairly high from limited audit observations; however, the assessment identified the following areas where internal controls can be further improved:

- Establishing an effective internal audit function that is either absent (PPRA & PRMP) or is limited to pre-audit (PRMP, PITB & E&TD).
- Improved reporting and reconciliation controls with periodic review by the senior management, which at present is an activity of the financial management unit.
- Strengthening asset management including asset coding, periodical physical verification, documentation of custodian's responsibilities for asset safeguard and exercising strong controls over assets receipt and issuance. Some of these controls exist, but the Program implementation will involve substantial asset procurement and there is a need to strengthen the controls to safeguard assets.
- Establishing a plan for periodic payroll audit across the Program.
- Framing financial rules for PITB which follows the government rules, though the PITB Ordinance allows the Board to frame its own rules. This is an opportunity for the management to bring efficiency into its processes.
- Preparing implementation agency-level procurement plans.
- Defining a clear procedure and processes for an independent grievance redress system.
- Identifying disclosure protocols for procurement plans, bidding documents, evaluation summary, award data and complaints.

Program Audit

27. The Program will be audited by the Auditor General of Pakistan (AGP) as the supreme audit institution of the country. In the latest PEFA Assessment, the external audit function was rated **B** owing to extended scope and coverage and good quality of audit. For the provincial government, the audit up to financial year 2011-12 has been completed and audit reports have been submitted to the legislature. The Public Accounts Committee (PAC) is supposed to review the audit reports but the audit reports for 11 financial years are pending review.

28. The AGP has completed the audit of the implementing agencies up to financial year 2011-12 and there are no significant audit observations that are unresolved or that have been reported to PAC. PITB's annual financial statements are audited by chartered accountants, in addition to audit by the AGP. For each financial year, the AGP will audit the Program's financial statements and that will be submitted to the Bank within six months of the close of the financial year.

Capacity Building

29. The assessment identifies certain capacity and control weaknesses within the implementing agencies. To build implementing agencies' capacity and strengthen internal controls, technical assistance will need to be provided to hire consultants under the PPMR Program. Skills transfer and the sustainability of this capacity development during implementation and at the conclusion of the Program will be a key concern.

30. The project identifies procurement and contract management arrangements within each implementation entity and PPRA will hold customized training sessions as soon as focal points are identified.

31. The Program goes beyond the fiduciary systems assessment and action plan for the four implementing agencies and supports PPRA in strengthening the regulatory framework in the province for an improved procurement regime. PPRA has drafted a procurement roadmap that includes filling in the documentation gaps (SBDs, SRFPs, implementation regulations, contract management SOPs, etc.), developing a procurement performance MIS, and developing a training strategy and phased e-procurement implementation plan.

32. The Program identifies two major actions, i.e. developing MIS and implementing e-procurement, which are included in the results framework. The development and implementation of the MIS is also a DLI. Details of the PPRA action plan and reasons for picking up these two actions for Program monitoring are provided in the Technical Assessment (Annex 4).

33. The action plan provided in this assessment tabulates the actions by the four implementing agencies at the transactions level. Major actions of the draft roadmap of PPRA are also given for reference.

Fraud and corruption

34. In Pakistan, there exists an established anti-corruption framework comprising enabling legislation, anti-corruption investigating agencies (ACAs) and a dedicated anti-corruption court system. Enabling anti-corruption legislation dates as far back as 1860. At the federal level, the Federal Investigation Agency (FIA) has its roots in the Special Police Establishment created in 1942 to investigate corruption in the Supplies and Procurement Department of the Government of India. In 1999, the National Accountability Bureau (NAB) was established to investigate major corruption cases; in 2010, the Competition Commission of Pakistan was established as a watchdog to fight anti-competitive practices, including collusion in procurement, in the private sector. All the four provinces have Anti-Corruption Establishments (ACE). Additionally, there are single-mandate and general-mandate ombudsmen both at federal and provincial level.

35. Punjab is Pakistan's largest province, accounting for roughly three-fifths of the country's population and income. Public service delivery in the province, in line with the national numbers, falls far short of the expectations of the population, mainly due to governance challenges. The provincial government has initiated several projects aiming to increase transparency, reduce corruption and improve the efficiency and effectiveness of service delivery. These efforts have had some impact. According to the Transparency International 2011 report, citizens' perceptions of the Punjab Government have improved in recent years – the only province among the four that has seen an upturn.

36. In Punjab, several institutional arrangements are in place to receive complaints of corruption, conduct inquiries and process cases. On the criminal side, the Prevention of Corruption Act defines corruption. Institutional structures are governed by the Punjab Anti-Corruption Establishment (ACE) Ordinance 1961 and Punjab Anti-Corruption Establishment Rules, 1985. In 2006, the Punjab Employees Efficiency, Discipline & Accountability Act

replaced the old Efficiency and Discipline rules. The National Accountability Ordinance 1999, a federal law, also has jurisdiction over provincial departments. The Competition Act 2010 has jurisdiction over the entire country.

37. Any citizen can complain against any official to the ACE. Complaints are received simultaneously at headquarter, regional and district levels. However, as a precautionary measure, an SOP has been designed to ascertain the identity of the complainant or informer and genuineness of the complaint/information; this is to eliminate the element of blackmailing of public servants and to entertain only genuine complaints. As per the SOPs, the Assistant Director (Complaint) after hearing the complainants, recommends the initiation of an enquiry or forwards this to the departments concerned, or files the complaints as baseless, devoid of evidence/beyond jurisdiction, etc.

38. The ACE processed close to 30,000 complaints in 2011. Some 6,500 formal enquiries were conducted and around 2,000 new criminal cases registered. A similar number from the backlog was disposed of. According to the ACE setup in every region, an anti-corruption court has been established where special judges try cases. During 2011, there were 52 convictions and 713 acquittals among more than 1,000 cases decided by anti-corruption courts.

39. On the administrative side, the Punjab Employees Efficiency, Discipline and Accountability Act, 2006 (PEEDAA) governs internal accountability arrangements. Officials can be proceeded against if charged with corruption or even with the reputation of being corrupt. Penalties range from fines to dismissal from service. Appeals against the administrative order are heard under the Punjab Service Tribunals Act, 1974 before the Punjab Services Tribunal. The Punjab Office of the Ombudsman Act provides a forum for the protection of people's rights against maladministration and corrupt practices by public servants.

40. Several other institutions also aim to check corruption and maladministration. The Chief Minister's Inspection Team (CMIT) holds and conducts inquiries into major public spending on behalf of the Chief Minister. The Chief Minister Complaint Cell also receives complaints on corruption and other issues from the general public and redresses the grievances of the public. Complaint Cells are also established at the offices of Chief Secretary, Departmental Secretaries, Commissioners, DCO, EDO, DO, and ACs, which redress complaints against corruption from the public.

41. Proactive feedback is also being sought from service beneficiaries to check petty cases of corruption in Punjab. More than 2.7 million citizens have been contacted and close to 0.3 million have given their feedback. The Secretary Implementation & Coordination (I&C) Punjab in the Services & General Administration Department (S&GAD) is tasked with its implementation across the province.

42. The draft Freedom of Information law, recently passed by the cabinet, represents one of Punjab's most critical achievements in the fight against corruption in recent years. Under the provisions of the draft Act, any citizen may request information from a "public body" which is required to reply expeditiously or within 15 days. The draft Act also requires every public authority to computerize their records for wide dissemination and to proactively publish certain

categories of information for easy citizen access. The establishment of an independent Information Commission will also help fight corruption. The Commission will deliver decisions instructing the government, courts, universities, police, and departments on how to share information of public interest.

43. A free media can identify and expose corruption or other improper practices in the government; it can also validate government measures that are neither corrupt nor improper. Civil society and an increasingly assertive media and judiciary are also increasing their oversight at all levels and aggressively pursuing major cases of corruption.

44. The interventions proposed under the Program – fostering transparency, implementing smart management, implementing e-services, and improving financial management – all aim to improve management and citizen oversight, reduce discretion and fight corruption.

45. Prima facie, the anti-corruption framework has all the essential ingredients to address corruption issues in the province. The capacity of the officers needs to be enhanced. The ACE Punjab also suffers from budgetary constraints. An electronic complaint management system with a built-in M&E will help increase capacity and improve performance management. PEEDAA, a comprehensive legislative framework for internal discipline, can be strengthened by the development of an MIS to enable monitoring of actions taken within different departments.

46. The implementing agencies of the Punjab Public Management Reform Program – the Punjab Information Technology Board, Excise and Taxation Department, Punjab Procurement Regulatory Authority, and Punjab Resource Management Program - are all governed by the civil and criminal administrative arrangements described above. The ACE acts on all complaints received, including any complaints received against the four implementing agencies.

47. The Borrower will implement the Program in accordance with the provisions of the Anti-Corruption Guidelines (ACG) applicable to PforR operations. The modalities for implementing the ACG include the following:

- i. All fraud and corruption complaints will be aggregated through three mechanisms. First, an MIS, to be maintained by executing agency/implementing agencies for administrative discipline and efficiency inquiries, including any procurement corruption charges related to the Program, where all such processes will be aggregated, is being proposed as a Program Action Plan activity. Second, anti-corruption establishment already aggregates and categorizes all complaints. Third, Secretary Planning and Development/PRMP will process through the relevant administrative authorities any Program related procurement corruption complaints that may be received.
- ii. The office of the Secretary of the Planning and Development Board will be the Punjab Government's focal office for the purposes of ACG application. It will also aggregate Program related procurement corruption complaints by monitoring the MIS of administrative inquiries and by maintaining liaison with ACE.

- iii. The Punjab Government will undertake investigations, criminal and administrative, under the Program, of all material and credible allegations of fraud and corruption, and keep the Bank abreast of their progress and findings and make public the conclusions.
- iv. The Punjab Government will provide the Bank with reports annually or more frequently as warranted, reporting allegations of fraud and corruption under the Program received and registered, as well as related investigations and, as needed, the actions taken. Reciprocally, if the Bank finds evidence of corrupt practices, the Bank will, to the extent consistent with Bank policy, refer the case to the Punjab Government for investigation under the relevant criminal and civil laws.
- v. If the Bank determines to conduct an administrative review into allegations or other indications of fraud and corruption in connection with the Program, conducted alone, together or in parallel with the government investigation, the Punjab Government will cooperate fully with representatives of the Bank and take all appropriate measures to ensure the full cooperation of relevant persons and entities subject to the government jurisdiction in such investigation, including, in each case, allowing the Bank to meet with relevant persons and to inspect all of their relevant accounts, records and other documents and have them audited by or on behalf of the Bank. If the Bank finds evidence of corrupt practices, the Bank will refer the case to the Punjab Government for investigation under the relevant criminal and civil laws. The Bank may, however, debar private individuals and firms on its own.
- vi. The Bank's right to investigate or conduct review does not extend to criminal investigations, which is the exclusive jurisdiction of the Punjab Government.
- vii. The Punjab Government will ensure that any person or entity debarred or suspended by the Bank is not awarded a contract under or otherwise allowed to participate in, the Program during the period of such debarment or suspension.
- viii. The bidding documents will serve as bidders' source of information regarding the applicability of the ACG to the Program. Compliance will be verified through the Program's annual audits.

48. Action Plan to Mitigate Risks

Financial Management

Area	Performance Indicator	Baseline	Monitoring Benchmark
Planning and Budgeting	Implementation/budget plans for the Program with detailed costing and timelines developed by the implementing agencies.	No plan available	Implementation/budget plan approved by the MD/Chairman/PD/Secretary
	Annual budget allocations for the Program made in accordance with the implementation plan.	No budget for the Program in FY 2012-13	Allocation for the Program activities in the annual budget from FY 2013-14 onwards.
Funds Flow	Funds committed for the Program	Nil	Quarterly Budget Execution

Area	Performance Indicator	Baseline	Monitoring Benchmark
	activities in annual budget released to the implementing entities in time.		Reports.
FM capacity	FM units of the implementing entities working at sanctioned strength. Additional staff requirement finalized and staff hired.	Vacancies in PITB and PPRA	Staffing plan is included in the PAP.
Accounting and Reporting	Process of preparing Program-level financial reports and entities to be included in the reports to be finalized.	Nil	Program-level financial reporting arrangements to be agreed with the Bank. Periodic Program-level financial reports prepared and reviewed by the management.
Internal Controls	PITB to introduce financial rules for efficient processing Establishing an effective internal audit function Internal audit to prioritize reviews aimed at (a) Improving reporting and reconciliation controls (b) Strengthening asset management and payroll systems	Nil Nil at PRMP and PPRA, Pre-Audit at PITB and E&TD	As indicated in the PAP. Plan to establish Internal Audit Function agreed with the Bank Internal Audit reports on priority areas to be finalized
Program Audit	Program external audits carried out in a timely manner	Nil	Program audited financial statements available within 6 months after the close of the financial year

Procurement: Actions for Implementing Agencies (transactions level)

Area	Action		Timeline
Procurement Planning	All the four implementing agencies have developed their procurement plans.		Within 45 days of the budget allocation.
Process and Procedure	The customized bidding documents for goods have minimum passing thresholds and RFPs have agreed contract formats.		Draft agreed. Notified for Program use by Nov 30, 2013.

	Publication of all required information on websites		Continuous process
Controls and Integrity	PITB has a system in place; PRMP, PPRA and E&TD to set up a system Second-tier Program grievance redressal mechanism set up through Planning and Development Department Procurement database is maintained		Done. Dec 31, 2013 Continuous process
Procurement and Contract Management Capacity	Staff hired by PPRA, PRMP, and E&TD Training sessions by PPRA		As indicated in the PAP. As soon as staff is hired.

Procurement: Actions for PPRA (Regulatory level)

Action	Status, Program linkage, and resources
Notification of SBDs and SRFPs	Drafts have been prepared. It is essential for PPRA to notify the SBDs/SRFPs to facilitate quality of procurement in all provincial procurements. This is a major action prior to MIS implementation. Consultant/Firm to be hired.
Development of implementing regulations	This will help clarify the rules. PPRA has prepared initial draft; Consultant/firm to be hired to complete the task.
Design of procurement performance MIS	This is a result indicator as well as a DLI. International Growth Centre is working on the software. MIS is designed to be used by all the procuring agencies in the province; the DLI will measure only a subset growing over years.
Training strategy	PPRA to do a TNA, prepare a training strategy, and identify local institution(s) for conducting various trainings.
e-procurement Strategy	PPRA will hire a consultant/firm to develop e-procurement strategy. PITB may help design the initial phase. Initial implementation of e-procurement at PITB is a result indicator.

Fraud and Corruption

Area	Performance Indicator	Baseline	Performance Standard
Complaints redressal	Secretary Planning and Development to establish a complaint registration and follow up system.	Nil	Relevant process to be established
Anti-corruption	Excise and Taxation Department, PITB, PRMP, and PPRA to establish an MIS to follow up on PEEDAA processes in the department/organization.	Nil	As indicated in the PAP.
Anti-corruption	Case management system to be established for ACE for improved performance management.	Nil	The case management system, with modules to be decided, will be designed during the first year and implemented during the second and third year.

Annex 6. Environmental and Social Systems Assessment

Background

1. World Bank staff and consultants conducted an Environmental and Social Systems Assessment (ESSA) for this Program⁷⁰, in line with requirements as stipulated in the operational policy OP 9.0 on Program for Results Financing. As per the guidelines, it undertook the ESSA based on the scope and activities of the Program (summarized in Table 2) and the nature of the environmental and social context of implementation. The three main steps associated with an ESSA are: (i) identification of the potential range of environmental and social effects that may be relevant to the Program and assessment of the borrower's capacity for effective environmental and social management; (ii) identification of measures, if needed, to enhance environmental and social management capacity and performance; and (iii) monitoring of Program performance, especially with regard to the mitigation or enhancement measures agreed on.

2. The Environmental and Social Systems Assessment was carried out at the Program level and drew on the Bank's, development partners' and borrower's existing knowledge, as well as on analysis carried out during the preparation of the PforR operation. The information necessary to conduct the ESSA was gathered from:

- a. Communication with borrower agencies and relevant stakeholders;
- b. Assessments relating to other Bank activities (e.g., investment lending projects, country studies);
- c. Assessments undertaken by other development agencies, or other relevant national, regional, or sectoral assessments or analyses;
- d. Consultations held with the EPA, Environment Department, Urban Unit, PPRA, PRMP, Finance Department, Excise and Taxation Department, Punjab Information Technology Board, Livestock Department, and Reforms Unit of the Department of Health;
- e. Discussions with Task Team Leaders of various Bank-funded projects;
- f. Field visits to the districts of Sahiwal, Pakpattan, Okara, Gujranwala, Sheikupura and Rawalpindi to meet field-level government officials and beneficiaries, and assess the information needs of citizens;
- g. Review of the relevant literature, including the Multiple Index Cluster Survey, Pakistan Social and Living Measurement Surveys, and Punjab Development Statistics, etc; and,
- h. Review of the feedback gathered from the Citizen Feedback Model where some 0.27 million citizens have commented on the quality of various services received.

⁷⁰ –Program” refers to the Bank-supported Punjab Public Management Reform Program whereas –program” refers to the Government Governance Roadmap.

Environmental Systems Assessment

Environmental Management

3. The Punjab Environmental Protection Act 1997 (amended in 2012) is the principal legislative tool empowering the provincial government to protect the environment. Supporting regulations also exist, such as the Pakistan Environmental Protection Agency Review of IEE and EIA Regulations 2000. In addition, the National Environmental Quality Standards (NEQS) define the maximum permissible limits for emissions, effluents, vehicle exhausts, ambient air quality, noise, and drinking water. Institutional arrangements in place include the Punjab Environmental Protection Agency, supported by the District Officer (Environment) in each of the 36 districts in the province. In general, Punjab has an adequate regulatory regime available for environmental management and conservation.

4. While the regulatory regime is strong, the capacity and incentives to implement the regulations are mixed. The provincial departments that will participate in the Program have varying environmental management capacities. Also, the weak capacity of the regulatory agencies and their wavering commitment are key impediments to the effective implementation of environmental laws and regulations. Overall, there is relatively weak environmental governance in the province (i.e., implementation of environmental laws, monitoring, environmental data collection and analysis, and reporting/information dissemination). This contributes to public health impacts and resource depletion, resulting in an additional burden on the economy. Marginalized segments of society such as the poor, and women and children in particular, are more vulnerable to deteriorated environmental conditions, and bear the brunt of polluted air and water, degraded soils, and depleted natural resources. Improved environmental governance – such as enforcing compliance with the NEQS in the provincial annual developmental program – may help reduce these negative impacts.

Potential Environmental Effects and Risks

5. In terms of the environmental risks, the activities planned under the proposed Program do not include any physical interventions such as construction, rehabilitation or renovation works. Hence, these activities are environmentally benign and will not have any negative environmental effects or cause any loss or conversion of natural habitats, any changes in land or resource use, or any environmental pollution. Moreover, the World Bank's safeguard policies are not triggered under this project. However, the ESSA does reveal areas where the Program could potentially bring about positive, indirect environmental benefits through improved governance. In sum, overall improvements in governance – namely through greater transparency or results-based management – could contribute to improved *environmental* governance and the implementation of environmental regulations.

Risk Rating

6. In light of this assessment, the planned Program activities pose no risk to the environment. Recommendations to improve environmental management in the context of the Program are summarized in the last section of this annex.

Social Systems Assessment

Social Management

7. The Punjab Public Management Reform (PPMR) Program aims to leverage societal shifts – increasingly competitive democracy, high penetration of ICTs, the youth bulge, and the enhanced autonomy of provinces – to improve the performance and transparency of departments that are providing key services to citizens, and to enhance service delivery so that citizens feel a visible difference, boosting their trust in the state. Despite being the country's wealthiest province, Punjab faces significant development challenges in terms of poverty reduction and inequality. Although key social indicators remain better than the national average, the incidence of poverty is one of the highest in Pakistan – 18.3 percent in 2007/08. Recent estimates indicate that it might have increased since then.

8. The social management assessment shows that the Program operates within an adequate legal and regulatory framework for addressing the types of social issues that are likely to emerge in the Program's activities. At the provincial level, there is a range of policies, legislation and guidelines to deal with social issues related to women, low-income groups, rural and remote communities and other vulnerable groups.

9. However, the capacity and incentives to implement these aspects are mixed and vary across the departments that will be involved in the Program's activities. Some issues include: (i) the knowledge of and capacity for undertaking social assessments and tailoring interventions to marginal groups – such as through gender-sensitivity or facilitating the participation of illiterate groups – is variable; (ii) coordination across Program institutions in dealing with social inclusion issues could be enhanced; (iii) the monitoring capacity for social inclusion issues could be strengthened; (iv) information dissemination and outreach could be strengthened through the adoption of the Freedom of Information law, and by ensuring that there is relatively equitable and user-friendly access to Program information through a range of channels; and (v) there is potential for institutional inertia or resistance to change in certain departments.

Potential Social Effects and Risks

10. The main social effects of the Program can be separated into three overlapping main areas: (i) equity and inclusion – the extent to which Program benefits are likely to be shared equitably; (ii) information 'loops' – the extent to which Program information is disseminated effectively; and (iii) social resistance – the extent to which the proposed changes are likely to be implemented. In this regard, the Program activities could contribute to a number of potentially positive aspects. First, in terms of access to services, the activities aim to increase service provision including to poorer groups (Result Area 1), making it easier, less time-consuming and less costly for citizens to become aware about their entitlements through information provision (Transparency under Result Area 1) and to reduce opportunities for leakage through automation (E-Governance under Result Area 1). Second, information flows from government to citizens and vice versa may: raise citizens' awareness of services and, in turn, improve their ability to access such services (Result Area 1); increase government accountability and responsiveness for services delivered (Result Areas 1 and 2); and increase citizen-state trust and interfaces (Results

Area 1). A final potential benefit relates to the fact that the Program may support sustainable change through regular consultation and coordination across departments.

11. There are, however, some social risks in the three thematic areas. First, some groups may not have access to or use ICTs (namely the Internet and cellphones) to be able to benefit from ICT-based interventions under the Program. For instance, women may be less likely to benefit given the ‘gender digital divide’ in Pakistan; and lower-income groups may have no or limited access to relevant ICTs. Second, the poor and illiterate, and groups in remote rural areas face challenges in accessing government information either because they live far from information sources, lack the skills and education to understand and act on the information; or because they do not have access to certain ICTs. Third, the ESSA identifies a number of potential risks associated with social sustainability – such as resistance to transparency measures – which may undermine Program effectiveness. Overall, the main social risk is that Program activities may reinforce inequalities in access to services and information through its focus on modern ICT-based interventions.

12. The Program incorporates certain measures to mitigate these social risks. These are outlined in the ESSA and include: providing a phone contact center for people without access to the internet; using facilitation centers to assist people face-to-face in accessing service information; using female agents at the contact and facilitation centers to put women more at ease; and promoting the Program activities through consultation and ‘ownership’ of the relevant departments.

Risk Rating

13. The social risk rating is ‘moderate’. This rating is based on the fact that (i) certain groups do have access to certain ICTs and that some of the social dynamics outlined above are deeply ingrained and unlikely to change in the course of a five-year Program; and (ii) there are some limitations in the knowledge and capacity of Program institutions in addressing the outlined issues. The Program already has in place a number of measures to mitigate these risks and some selected extra actions are proposed below. The social risk rating is ‘moderate’.

Recommended Actions

Environmental Actions

14. Given that the Program activities are environmentally benign, the proposed actions to be undertaken by this Program are minimal. The one recommended action is to appoint an environmental focal point within PRMP who would be responsible for raising any environmental issues at the steering committee level, should any relevant issues arise. It should also be noted that in the course of the ESSA, other recommendations have emerged that may offer opportunities for environmental enhancement and mainstreaming. These recommendations are, however, *beyond the scope* of the Program and are thus not outlined here; they are listed in the annexes of the ESSA.

Social Actions

15. Given the nature of the risks outlined, the ESSA proposes certain supplemental actions that could be integrated into the Capacity Building Plan. It suggests that further attention be given to ensure equitable access to Program benefits based on the unique needs of identified vulnerable groups. The ESSA does, however, recognize that broader, historical and social issues are beyond the remit of this Program – such as gender relations – and such dynamics are, over five years, unlikely to change significantly. Some actions identified in the ESSA include:

- a. Further mainstreaming of equity and inclusion issues into the Program by: (a) promoting Program knowledge-sharing for capacity building on selected inclusion issues through a series of workshops and ‘social inclusion how-to notes’; (b) monitoring social inclusion issues and producing a report to be incorporated into the Program’s mid-term review discussions; and (c) piloting ‘face-to-face’ interactive citizen feedback models in two to three selected services, following a broad community scorecard model – this will enable the Program to obtain strong feedback from the poorest groups who are not ‘connected’ to ICTs, are illiterate and/or who receive limited or sporadic services. It will provide more detailed feedback on service delivery issues beyond SMS information.
- b. Promoting information dissemination and outreach to marginal groups through: (a) regular public communications on Program activities (such as through a semi-annual newsletter and workshop) and outreach to civil society and media organizations to strengthen Result Area 1; (b) the production of one or two ‘user-friendly’ products – such as a printed pamphlet called the ‘*Citizen’s Guide to Development in the Punjab*’, which draws on information generated under Result Area 1; and (c) pro-active information dissemination through low-cost grassroots advertising beyond just ICT (such as through the use of cloth banners, chalk graffiti on walls, painted milestones, local village and government gatherings, publishing of information on notice boards, using radio or printed materials); and
- c. Fostering change through the design of a stakeholder management plan and through an ongoing dialogue with the government on passage and implementation of Freedom of Information legislation.

Annex 7: Integrated Risk Assessment

Operational Risk Assessment Framework Punjab Public Management Reform Program Stage: Board Presentation

1. PROGRAM RISKS				
1.1 Technical Risk		Rating:	High	
Description: A. Number of institutions involved and need for coordination. An assessment of the Program’s technical soundness was carried out during preparation. Although Program activities are not technically complex in nature, Program design is complex due to the number of institutions involved in delivering results. For instance, critical cross-sectoral governance reforms have to be led from the apex of the government machinery, either at the Chief Minister office or at the Chief Secretary office. In addition, the proposed activities require strong coordination between the central departments that administer core public management systems and the line departments that use them, and between the provincial government and the selected districts.		Risk Management: A. The proposed institutional arrangements aim at facilitating such coordination and provide leadership to the overall reform effort. A Steering Committee, chaired by the Chairman of the Planning and Development Board will be established to monitor progress and facilitate coordination among participant institutions and the different levels of government. Regular meetings with the Steering Committee will also help drive the change management process and facilitate coordination. The Steering Committee may also refer any matter to the Secretaries Committee, the Commissioners Conference, and the District Coordination Officers Committee, all three chaired by the Chief Secretary, for effective field implementation. PRMP, reporting to Planning and Development Board, is also well placed to coordinate implementation. These measures are reflected in the PAP. However, the Bank is aware that the proposed institutional arrangements are complex and carry their own risk factor (see Section 2.5.C for a description).		
		Resp: Client	Stage: Implementation	Due Date:
B. Low institutional capacity, specially related to ICTs: The technical assessment identified key areas where capacity needs to be built, mainly related to ICTs. Though new ICT systems are not technically complicated and officials can be easily trained to use these, maintenance capacity in departments is limited and PITB finds it difficult to provide day-to-day support. Other areas that need to be strengthened are: records management, M&E, financial management and procurement.		B. The PforR operation addresses key technical gaps through dedicated DLIs and PAP actions, and the Implementation support plan. Furthermore, specific technical assistance will be provided through the DFID EFO funds managed by the Bank. The ICT-related risk can be mitigated by building a shared platform for PITB to maintain, to be used by the departments. Institutional review of PITB and implementation of related recommendations will also help mitigate this risk. These measures are reflected in the PAP.		
		Resp: Client/Bank	Stage: Implementation	Due Date:
C: Local government reforms The government is going to revise the current local government structure, where civil servants appointed by the provincial government directly administer the devolved powers, to bring local level political or citizen oversight into the system. The role of provincial government departments may change in the process.		The role of the provincial government, especially in monitoring and evaluation, is likely to remain substantial. The Bank, working with DFID, will stay closely engaged with government to ensure that the transition is smooth and systems development and use remains on course.		
		Resp: Client/Bank	Stage: Implementation	Due Date:
1.2 Fiduciary Risk		Rating:	Substantial	
Description: The Program envisages mainly financial management and expenditure by the provincial government through its normal budgeting without any major procurement. No EEPs and TA funds are		Risk Management: PFM and procurement reform and institutional capacity building are an inherent part of the Program. A risk mitigation plan has been agreed with the government with specific activities to be supported by the Program that will mitigate the fiduciary risk.		

envisaged.	Resp: Client		Stage: Implementation	Due Date: As per the agreed action plan.	Status: Not yet due
1.3 Environmental and Social Risk	Rating:	Moderate			
Description: There is no risk to the environment as a result of planned Program activities. Overall, the main social risk is that the Program activities may reinforce inequalities in access to services and information through its focus on modern ICT-based interventions.	Risk Management: The Program already has in place a number of measures to mitigate these risks - such as the use of a helpline and facilitation centers for people in remote areas without access to the internet; and using female agents to put women more at ease. Some selected extra actions are proposed in Annex 6 to ensure that the social benefits of the interventions supported by the Program are positive and sustainable.				
	Resp: Client		Stage: Implementation	Due Date: As per the agreed Social Management plan	Status: Not yet due
1.4 Disbursement linked indicator risks	Rating:	Substantial			
Description: Some DLIs might not be achieved due to budgetary constraints, cash rationing and other resource constraints, low ownership from line ministries and districts, and risk that other programs may divert resources. Lack of experience with Bank operations and in particular, with results-based lending, might slow down progress against the agreed results and disbursements	Risk Management: The Program expenditure framework will ensure availability of funds for each result area. The implementing agencies will develop an annual operational plan to meet the result indicators identified in each area and the DLIs, with Bank support. Visible results in the first and second year will also strengthen ownership from front line providers and districts. Capacity building activities in procurement will mitigate the risk that low procurement capacity compromises the Program’s ability to use funding effectively and deliver the agreed results.				
	Resp: Client		Stage: Preparation	Due Date:	Status: In progress
1.5 Other Risks	Rating:	Substantial			
Description: A. Linkages with service delivery: Past major governance programs failed to gain visibility and political traction because of their upstream focus and absence of a direct link with visible improvements in service delivery, the area of most interest to politicians, administrators and citizens. B. Civil society engagement. The assumption of civil society and citizen engagement with a transparent government (and therefore more accountability) may not bear out. C. Institutional arrangements. The proposed institutional arrangements are based on existing coordination instances in the province. However, they are quite complex and carry their own risk given the number of institutions involved. The Chief Secretary office has not traditionally coordinated with donors or directly led a program. The Steering Committee in charge of Program coordination will be chaired by the Chairman Planning and Development Board, who has coordinated governance reforms in the past.	Risk Management: A. The Program will mitigate this risk by leveraging focused technical assistance to implement ideas, such as smart management, that visibly impact service delivery systems and are prominent candidates for other sector teams to take forward in their sectoral programs. Implementing agencies will support target departments in rolling out service delivery improvement ideas. The targeted departments and services reflect the bulk of the citizen-to-government service delivery interaction. B. Collaboration with DFID. The –Voice” program, funded by DFID, will help increase civil society engagement and promote use of disclosed information by citizens/users of public services to hold government/public officials accountable. C. The Bank will support the government in drafting TORs for the proposed steering committee. The Bank will work closely with government to monitor implementation and progress.				
	Resp: Bank		Stage: Implementation	Due Date:	Status: Not yet due
2. OVERALL RISK RATING: High					
The overall implementation risk is considered High (H), largely driven by the country and technical risks.					

Annex 8. Program Action Plan and Capacity Building Plan

Table 8.1 Program Action Plan

Action description	DLI	Date	Responsible party	Completion Measurement
Technical				
Planning and Development Department will undertake an institutional review to determine how PITB can better implement e-services and performance monitoring. The PITB Board and Government of Punjab will take necessary steps to implement the recommendations.	DLIs 2 and 3	6 months after effectiveness deadline	Planning and Development Department	Recommendations approved and implemented
Fiduciary				
PITB financial rules, as authorized under the Punjab Information Technology Board Ordinance, are approved by PITB Board.		9 months after effectiveness deadline	PITB	
PITB, PPRA, PRMP and E&TD shall appoint and train key program fiduciary management and procurement staff as identified in the staffing plan, with qualifications and on terms and conditions satisfactory to the Association, as such plan may be revised from time to time by agreement of the government of Punjab and the Bank.		6 months after effectiveness deadline	PPRA, PITB, PRMP, E&T Department	Existing vacant positions as well as identified new positions filled.
PITB, PPRA, PRMP and E&TD shall establish and implement a PEEDAA (Punjab Employees Efficiency, Discipline and Accountability Act) management information system.		9 months after effectiveness deadline	PITB, PPRA, PRMP, E&TD.	MIS system established
In furtherance of the provisions of the Anti-Corruption Guidelines (ACG) applicable to PforR operations, the modalities for implementing the ACG will include: a) aggregating complaints and allegations on fraud and corruption related to the Program through PRMP PEEDA Act MIS and the Anti-Corruption Establishment MIS and, until such systems are established and operational, as satisfactory to the Association, through registering and reporting mechanisms as agreed with the Association; b) distilling material and credible allegations of fraud and corruption related to the Program, and keeping the		Continuous	Planning and Development Department	Regular reports communicated.

Association informed of progress and findings of consequent inquiry conducted or case filed, in a timely fashion and as agreed with the Association, and making public the conclusions on PRMP website; and c) including in the bidding documents to be used in the Program information noting the applicability of the ACG to the Program, including a copy of the Association's ACGs and the Association's right to conduct an audit if the Association so deems necessary and to debar firms and individuals, which would be verified through the Program's annual audits.				
Cross-cutting				
PPMR Program Steering Committee holds quarterly meetings on program implementation issues.	All DLIs	Every 3 months	PRMP	Notification and meeting minutes

Table 8.2 Capacity Building Plan

Capacity Building Plan			
Development of remote web-based updating of departments website system	DLI 1	PRMP/PITB	System established and training conducted
Study conducted to review existing archiving practices, identification of information needs of key stakeholders, and development of an archiving system		PRMP/PITB	Study conducted
Feasibility of establishing a facilitation center network carried out		PITB	Report prepared and disseminated
Feasibility report on an e-services law, based on South Asian experience, to be prepared and disseminated within government	DLI 2	PITB	Report prepared and disseminated
Feasibility report on right to services law, based on South Asian experience, to be prepared and disseminated within government	DLI 2	PRMP	Report prepared and disseminated
Review of systems, processes, and rules to implement mobile based payments		PITB	Report prepared and disseminated
Collection and review of standardized protocols and information about citizen services for dissemination	DLI 2	PITB	Report prepared and disseminated
Independent review of Sialkot UIPT digitization pilot conducted and recommendations discussed and approved	DLI 4	Excise and Taxation Department	Recommendations approved by the Steering Committee

Development and implementation of capacity development plan for PRMP, PITB, PPRA and key procuring agencies	DLI 5	PPRA	
Case management system established in ACE, Punjab		PITB	MIS system initiated
Conduct, or cause to be conducted, evaluations, including wherever possible rigorous impact evaluation of Program interventions to guide course correction and create knowledge	All DLIs	PITB/PRMP/PPRA/E&TD	Continuous
Environmental and Social Actions			
Conduct face-to-face interactive citizen feedback and outreach in selected ‘anti-poverty’ services in ‘hard-to-reach’ areas.	DLI 2 and 3	PRMP (and partners)	Sessions conducted in 2 – 3 selected services.
Appoint environmental focal point (EFP) responsible for flagging any environmental issues should they arise in project design/implementation.	All DLIs	PRMP	Appointment of EFP
Appoint a social focal point (SFP) to help coordinate any additional ESSA enhancement measures.	All DLIs	PRMP	Appointment of SFP
Information outreach plan developed and executed: (i) broad Program-related information dissemination; (ii) production of annual ‘user-friendly’ information product; (iii) grassroots information outreach activities beyond ICTs.	All DLIs	PRMP	Information products produced and disseminated in appropriate channels.
Produce annual how-to note on selected inclusion issues.	All DLIs	PRMP (and partners)	Workshop proceedings, how-to-note prepared and disseminated.
Monitoring of selected inclusion issues for a mid-term review to consider inclusive access to services, especially for disadvantaged groups and districts.	All DLIs	PRMP (and partners)	Review prepared, disseminated, and approved for external dissemination.
Cross-cutting Actions			
Consultative workshops within targeted departments conducted, twice a year, for greater ownership of Program interventions.	All DLIs	PRMP	Workshop reports

Annex 9: Implementation Support Plan

1. This annex describes how the Bank and other development partners will support implementation of the Program, with particular emphasis on: (a) reviewing implementation progress (including that of the Program Action Plan) and achievement of Program results and DLIs; (b) providing support for resolving emerging Program implementation issues and building institutional capacity; (c) monitoring the adequacy of systems performance and monitoring compliance with legal agreements; and (d) supporting the government in monitoring changes in risks. It includes an operation specific Strategy and Approach for Implementation Support, and an Implementation Support Plan.
2. The PforR Operation in Punjab will require considerable focused support from the World Bank team particularly during the early stages. The main challenge will be to strengthen the capacity of implementing agencies to plan for program activities and coordinate implementation with the different line ministries and districts involved. During the first twelve months, DFID EFO funds will be used to provide technical assistance to implementing agencies to address the weaknesses identified during the detailed assessments and to assist them in the preparation of Program plans. It will be particularly important to support PRMP in the rolling out of the Program, including the establishment of a monitoring system to monitor results. DFID EFO funds will also provide focused technical support to implementing agencies in the areas of governance and IT in relation to the activities identified in the Program Action Plan (PAP) and the Capacity Building Plan.
3. Key to effective implementation support will be the sustained engagement on the ground. The fact that the World Bank public management unit is highly decentralized, with the task manager based in Islamabad and the manager and the rest of the team based in Delhi, will facilitate this engagement. The first implementation mission will take place as soon as possible after effectiveness to provide direct feedback on the quality of Program plans and review progress made against the Program Action Plan actions. The first mission is therefore expected to include staff predominantly from the social and fiduciary teams, as well as the team on the ground in charge of day-to-day implementation support. Subsequent missions may have a stronger emphasis on verification/M&E skills and technical implementation expertise.

Main focus of Implementation Support

<i>Time</i>	<i>Focus</i>	<i>Skills Needed</i>	<i>Resource Estimate</i>	<i>Partner Role</i>
First 12 months	Support to implementing entities to finalize Program plans and begin implementation, including ensuring adequate resources and	Technical skills in main Program areas and ability to work with clients.	Monthly discussions in Lahore to review plans and progress. Team of 6-8 specialists.	Available to meet with Bank staff to discuss plans and progress.

	M&E capacity.			
12-48 months	Quarterly discussions with implementing partners to review progress and plans for next cycle.	Technical skills in main Program areas and ability to work with clients	Quarterly discussions in Lahore to review plans and progress. Team of 6-8 specialists.	Available to meet with Bank staff to discuss plans and progress and to provide monitoring data.
<i>Other</i>	Independent verification of results.	Independent technical expertise.	One week mission. Team of 4-6 specialists.	Participating as observers.

Task Team Skills Mix Requirements for Implementation Support (template)

<i>Skills Needed</i>	<i>Number of Staff Weeks</i>	<i>Number of Trips</i>	<i>Comments</i>
<i>FoI Specialist</i>	8	12	
<i>ICT Specialists (2)</i>	16	24	
<i>Procurement Specialist</i>	8	12	
<i>FM Specialist</i>	6	8	
<i>Tax Specialist</i>	8	12	
<i>M&E Specialist</i>	6	6	

Role of Partners in Program implementation

<i>Name</i>	<i>Institution/Country</i>	<i>Role</i>
PMRP	Planning & Development Dept, GoPb	PRMP will coordinate the implementation of the Program.
PITB	Planning & Development Dept, GoPb	Support all ICT related interventions in the province
PPRA	Part of Services and General Administration Dept, GoPb	Responsible for prescribing regulations and procedures for public procurements. It is also responsible for monitoring procurement by public sector agencies/organizations and has been delegated necessary powers under the Public Procurement Regulatory Authority Act 2009.
Excise and Taxation Department	Excise and Taxation Department	Provides services for collection of various taxes and duties, it suggests ways and means for additional resource mobilization in the province
Program Steering Committee	Planning & Development Dept, GoPb	Ensure effective implementation of the Program.

Annex 10: Targeted Organizations and Services for PPMR Program interventions

The Tables in Annex 10, which are also included as Annexes to Schedule 2 to the Financing Agreement for the Program, list the specific information, organizations and services to be monitored and verified under the respective disbursement linked indicators of the Program. It is envisaged that these specific lists of information, organizations and services may be modified/adjusted from time to time to reflect the updated circumstances of the government and the Program. Accordingly, should a modification to any of the lists be needed following consultation between the Bank and the Government of Punjab, the Bank will send a letter, signed by the Country Director, to notify the government of the new list, and such new list will replace the respective Table in Annex 10 of the PAD and the respective Annex to Schedule 2 of the Financing Agreement.

Table 10.1. Information required for proactive disclosure.

	Type of Information	Details
1.	Institutional and Organizational	<ul style="list-style-type: none"> - Current laws, rules, regulations, functions and powers governing the Targeted Organization. - Current organizational structures of the Targeted Organization, including: name, designation, some biographical information and contact details of minister and top officials; directory of all officers; and numbers and distribution (by service, grade and tier) of employees.
2.	Services	<ul style="list-style-type: none"> - Current list of services provided by the Targeted Organization, with focus on those directly relevant to citizens, and brief explanation of how to access these services. - Number, type and spread of facilities of the Targeted Organization.
3.	Operational	<ul style="list-style-type: none"> - Current policies, plans, strategies, annual progress reports, and evaluation reports applicable to the Targeted Organization. - Details of major projects/initiatives currently under implementation by the Targeted Organization.
4.	Budget	<ul style="list-style-type: none"> - Current budget, previous budget allocations and actual expenditure

Table 10.2. Organizations obligated for public disclosure

1.	Department	1	Agriculture Department Secretariat
	<i>Attached Organizations</i>	2	Office of the Director General Agriculture (Extension & Applied Research)
		3	Office of the Director General Agriculture (Field)
		4	Office of the Director General Agriculture (Research)
		5	Office of the Director General Agriculture (Water Management)
		6	Office of the Director General Pest Warning & Quality Control of Pesticides
		7	Office of the Director Of Agriculture Information
		8	Office of the Director Of Agriculture Crop Reporting Service
		9	Office of the Chief Planning and Evaluation Cell
		10	Office of the Chief World Trade Organization Cell
		11	Office of the Director Of Agriculture (Economic and Marketing)
		12	Office of the Chief Coordinator, Regional Agriculture Economic Development Centre
		13	Office of the Director of Floriculture
		14	Office of the Director, Punjab Institute of Agriculture, Marketing
	<i>Autonomous Bodies</i>	15	Office of the Punjab Seed Corporation
		16	Office of the Punjab Agriculture Research Board
2.	Administrative department/Implementing Agency	17	Excise and Taxation Department Secretariat
	<i>Attached Organizations</i>	18	Office of the Director General Excise and Taxation
3.	Administrative department	19	Health Department Secretariat
	<i>Attached Organizations</i>	20	Office of the Director General Health Services
		21	Office of the Director General Nursing
		22	Office of the Director Blood Transfusion Services
	<i>Autonomous Bodies</i>	23	Nursing Examination Board
		24	Punjab Pharmacy Council
		25	Punjab Medical Faculty
		26	Punjab Health Foundation
		27	Provincial Quality Control Board
		28	Mayo Hospital Lahore
		29	Nishtar Hospital Multan
		30	Jinnah Hospital Lahore
4.	Administrative department	31	Higher Education Department Secretariat
	<i>Attached Organizations</i>	32	Office of the Director Public Instructions
	<i>Autonomous Bodies</i>	33	Board of Intermediate & Secondary Education, Lahore,
		34	Board of Intermediate & Secondary Education, Gujranwala
		35	Board of Intermediate & Secondary Education, Sargodha
		36	Board of Intermediate & Secondary Education, Multan
		37	Board of Intermediate & Secondary Education, Bahawalpur

		38	Board of Intermediate & Secondary Education, Faisalabad
		39	Board of Intermediate & Secondary Education, Dera Ghazi Khan
		40	Baha-ud-Din Zakariya University
		41	Institute of Education and Research, University of Punjab, Lahore
		42	Islamia University, Bahawalpur
		43	University of Engineering and Technology, Lahore
		44	University of Gujrat
		45	Fatima Jinnah Women University
		46	University of the Punjab
		47	University of Education, Lahore
		48	University of Engineering, Taxila
		49	University of Sargodha
		50	Government College University
		51	Lahore College for Women University
5.	Administrative department	52	Irrigation Department Secretariat
	<i>Attached Organizations</i>	53	Office of the Chief Engineer Irrigation, Lahore Zone
		54	Office of the Chief Engineer Irrigation, Development Zone, Lahore
		55	Office of the Chief Engineer Irrigation, Research Zone, Lahore
		56	Office of the Chief Irrigation, Drainage and Flood Zone, Lahore
		57	Office of the Chief Engineer Irrigation, Greater Thal Canal
		58	Office of the Chief Engineer Irrigation, Planning and Review Zone
		59	Office of the Chief Engineer Irrigation, Faisalabad Zone
		60	Office of the Chief Engineer Irrigation, Sargodha
		61	Office of the Chief Engineer Irrigation, Multan
		62	Office of the Chief Engineer Irrigation, Dera Ghazi Khan
		63	Office of the Chief Engineer Irrigation, Bahawalpur
		64	Office of the Director Land Reclamation, Lahore
	<i>Autonomous Bodies</i>	65	Punjab Irrigation and Drainage (PIDA)
		66	Punjab Engineering Academy, Lahore
6.	Administrative department	67	Livestock and Dairy Development Department Secretariat
	<i>Attached Organizations</i>	68	Office of the Director General (Extension), Punjab
		69	Office of the Director General (Research), Punjab
	<i>Autonomous Bodies</i>	71	Punjab Livestock and Dairy Development
		72	Punjab Poultry and Research Development
7.	Administrative department	73	Local Government and Community Development Department Secretariat
	<i>Attached Organizations</i>	74	Office of the Director General Local Government and Community Development
	<i>Autonomous Bodies</i>	75	Punjab Local Government Board
		76	Punjab Municipal Development Fund
		77	Punjab Local Government Commission

8.	Administrative department	78	School Education Department Secretariat
	<i>Attached Organizations</i>	79	Office of the Director Public Instruction (Secondary Education)
		80	Office of the Director Public Instruction (Elementary Education)
		82	Office of the Program Director, Directorate of Staff Development
		83	Office of the Project Director Children Library Complex Punjab
		84	Office of the Director Punjab Education Assessment System
		85	Punjab Examination Commission
	<i>Autonomous Bodies</i>	86	Punjab Text Books Board
		87	Punjab Education Foundation
		88	The Punjab Danish Schools and Excellence Authority
		89	Punjab Curriculum Authority
9.	Implementing Agency	90	Punjab Information Technology Board
10.	Implementing Agency	91	Punjab Procurement Regulatory Authority
11.	Implementing Agency/Executing Agency	92	Punjab Resource Management Program

Table 10.3. List of key services enquired about through telephone calls to the Citizen Contact Center.

#	Key Services
	Agriculture Department
1	Subsidy schemes for purchase of agricultural machinery
2	Laser leveling services provided by the Agricultural Engineering Department
3	Services for leasing government agricultural machinery
4	Soil & water analysis services conducted by government laboratories.
	Livestock and Dairy Development Department
5	Veterinary services provided by veterinary hospitals and centers and field staff
6	Artificial insemination services offered by field artificial inseminators
	Local Government and Community Development Department
7	Services by the relevant tehsil/town municipal administration for approving building maps
8	Services by the relevant tehsil/town municipal administration for approving housing schemes
9	Services by local government for commercialization of residential property
10	Services by local governments for the licensing of businesses
11	Auction services for tax collection by local governments
12	Services provided for water & sanitation facilities
13	Services by the union councils for registration of births
14	Services by the union councils for registration of deaths
15	Services by the union councils for registration of marriages
16	Services by the union councils for registration of divorces
17	Services by the director general of local government for enlisting contractors
	School Education Department
18	Services related to admissions to government schools
19	Services related to subsidy programs for support to government schools
20	Services related to the school leaving certificate
21	Services from the office of the executive district officer for education for private schools registration & renewal
	Higher Education Department
22	Services related to private school affiliation to examination boards
23	Services for college admissions to government colleges
	Health Department
24	Emergency services at government hospitals
25	Specialized treatment at government hospitals
26	Services by government hospitals for provision and administration of disability certificates
27	Services by the executive district officer for health, for pharmacy / medical store registration & renewal
28	Vaccination/immunization services provided by the vaccination staff of the district health officer

	Board of Revenue
29	Services related to domicile certificates
30	Services related to the issuance of title deeds
31	Services related to mutation of property
32	Services related to registration of documents/property
	Excise and Taxation Department
33	Services related to motor vehicle registration
34	Services related to annual renewal of the token tax
35	Services for assessment and payment of property tax
	Punjab Information Technology Board
36	Services related to the Citizen Facilitation Centers

Table 10.4. List of services monitored by smart management tools.

#	Service	Personnel
	School Education Department	
1	Supervision and inspection of schools	Executive District Officer, District Education Officer, Deputy District Education Officer, Assistant Education Officer
2	Regular monitoring and data collection of administrative data of teacher and student attendance from schools	Monitoring and Evaluation Assistant
	Health Department	
3	Supervision of field services	Executive District Officer, District Health Officer, Deputy District Health Officer,
4	Monitoring of lady health workers of the national maternal and child health program	Lady Health Supervisors
5	Field-based immunization of infants and young children	Vaccinators
6	Field-based provision of nutrition information to the school children	School Health and Nutrition Supervisors
	Livestock and Dairy Development Department	
7	Supervision and inspection of veterinary hospitals and centers and field officials	District Officer, Deputy District Officer
8	Field based artificial insemination of livestock	Artificial Inseminators
9	Field based vaccination of livestock	Veterinary Assistant
	Irrigation Department	
10	Canal water flow monitoring to gauge flow of water down the canals to check water theft	Field Managers
	Agriculture Department	
11	Agriculture extension and dissemination of information and best practices activities conducted for farmers	Agriculture Officer
12	Agriculture extension and dissemination of information and best practices activities conducted for farmers	Field Assistant

Table 10.5. List of organizations to use PPRA MIS

#	Departments	Attached Organizations
1.	Agriculture	Agriculture (Administrative Department)
2.		Office of the Director General Agriculture (Extension)
3.		Office of the Director General Agriculture (Field)
4.		Office of the Director General Agriculture (Research)
5.		Office of the Director General Agriculture (Water Management)
6.	School Education	Education
7.		Office of the Director Public Instruction (Secondary Education)
8.		Office of the Director Public Instruction (Elementary Education)
9.	Higher Education	Office of the Director Public Instruction (Colleges)
10.	Health	Health (Administrative Department)
11.		Office of the Director General Nursing
12.		Office of the Director Health Services
13.	Irrigation and Power	Irrigation and Power (Administrative Department)
14.		Office of the Chief Engineer Irrigation (Research)
15.		Office of the Chief Engineer Irrigation (Coordination)
16.		Office of the Chief Engineer Irrigation (Development)
17.		Office of the Chief Engineer Irrigation (Flood & Drainage)
18.		Office of the Chief Engineer Irrigation (Planning & Review)
19.		Office of the Chief Engineer Irrigation, Lahore
20.		Office of the Chief Engineer Irrigation, Bahawalpur
21.		Office of the Chief Engineer Irrigation, Faisalabad
22.		Office of the Chief Engineer Irrigation, Multan
23.		Office of the Chief Engineer Irrigation, Sargodha
24.		Office of the Director Land Reclamation
25.	Livestock and Dairy Development	Livestock and Dairy Development (Administrative Department)
26.		Office of the Director General (Extension), Punjab
27.		Office of the Director General (Research), Punjab
28.	Local Government and Community Development	Local Government and Rural Development (Administrative Department)
29.		Office of the Director General Local Government and Rural Development
30.		Punjab Municipal Development Fund
31.	Excise and Taxation Department	Excise and Taxation (Administrative Department)
32.		Office of the Director General Excise and Taxation
33.	PITB	Punjab Information Technology Board

34.	PPRA	Punjab Procurement Regulatory Authority
35.	PRMP	Punjab Resource Management Program
37- 73	Executive District Officer Agriculture	All districts
74-110	Executive District Officer Health	All districts