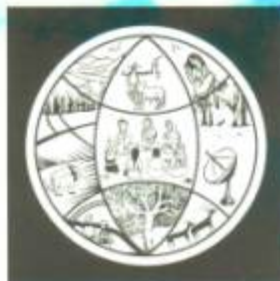


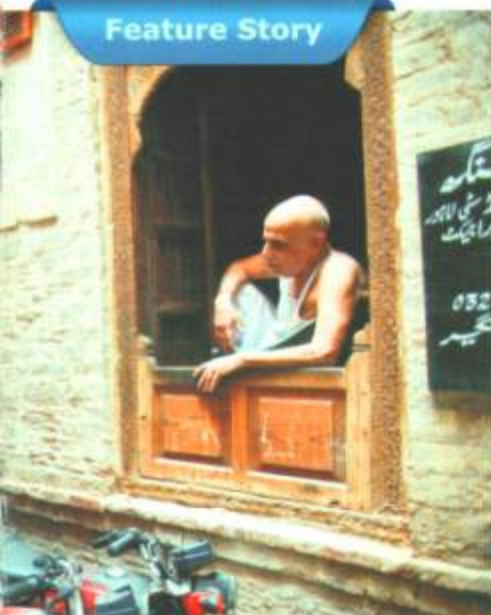


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World Bank to Support Punjab in Delivering Quick Results



The World Bank approved in November a package of assistance worth US\$50 million to support the implementation of Punjab Public Management Reform (PPMR) Program, a subset of the government's Governance Reform program that focuses on addressing critical constraints to service delivery. The program will help improve transparency and resource management of targeted departments of Punjab.

"Despite being the country's biggest and wealthiest province, Punjab faces significant governance, poverty reduction and inequality challenges," said Rachid Benmessaoud Country Director for the World Bank Pakistan. "The program will help the Government of Punjab in delivering quick results in public services while sustaining the reform momentum".

The most critical constraint to improving service delivery in Punjab is the weak performance management of the departments responsible for providing public services. Moreover, citizens face significant challenges in accessing government services due to the

strongly entrenched position of field officials and other structural handicaps such as distance, language, cultural practices, and lack of information about services.

Without good administrative data, it is difficult to assess whether government programs are achieving their goals, identify the required corrections and hold government agencies accountable. The provincial government is acutely cognizant of these challenges and has undertaken several initiatives to improve the efficiency of service delivery. It has shown its commitment to address the governance constraints to service delivery and improve the results focus of the public administration, including several performance management innovations supported by the Bank.

"The absence of reliable information about performance and service delivery, limits accountability of those along the service delivery chain", said Zubair Khurshid Bhatti, the task team leader of 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 instrument that will be used for this operation is a Program for Results (PforR) credit. 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.

The PPMR Program is the first Bank operation that will utilize the PforR lending instrument in public management sector in Pakistan. It aims to leverage Punjab's track record in results management, its experience with Bank's results-based operations, and the overall engagement on governance and service delivery with the Bank. 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 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. 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 credit is financed from the International Development Association (IDA), and will be on standard IDA blend terms, with a maturity of 25 years, including a grace period of 5 years.

