



1. Project Data

Project ID

P132234

Project Name

Punjab Public Management Reform Program

Country

Pakistan

Practice Area(Lead)

Governance

L/C/TF Number(s)

IDA-53140

Closing Date (Original)

31-Dec-2018

Total Project Cost (USD)

46,291,178.06

Bank Approval Date

14-Nov-2013

Closing Date (Actual)

31-Dec-2018

IBRD/IDA (USD)
Grants (USD)

Original Commitment

50,000,000.00

0.00

Revised Commitment

50,000,000.00

0.00

Actual

46,291,178.06

0.00

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2. Project Objectives and Components

a. Objectives

According to the Loan Agreement (page 4), the Project Development Objective (PDO) for the Punjab Public Management Reform Program was *to improve transparency and resource management of targeted departments of the Program Implementing Entity*. ("Program Implementing Entity" denotes the Province of Punjab.) The Program Appraisal Document (PAD) had the same PDO.

b. Were the project objectives/key associated outcome targets revised during implementation?



No

c. Components

The PDO was a Program for Results (PforR) operation. It was to be achieved by interventions in three results areas:

Results area 1: improved transparency and citizens' access to information. Activities included consulting services and training of public officials to: proactively disclose official information by targeted administrative departments pivotal to the reform process (the excise and tax department; the information technology board; the procurement regulatory authority; the resource management program); establish automated record management systems in the targeted administrative departments; and use smart phones to monitor basic information on infrastructure development schemes and publish that online.

Results area 2: performance monitoring. Activities included performance monitoring and making performance information available for decision making and to citizens, to be implemented by introducing a data and feedback collection system based on smart-phones; producing performance reports based on the data and feedback collected for decision making; and publicly disclosing the performance reports.

Results area 3: resource management. Activities focused on improving resource management by improving efficiency and transparency in tax administration and procurement processes. **Results area 3a** was to focus on reforming the provincial tax base by strengthening administration of the urban immovable property tax, to result in improved tax collection, focusing on billing, compliance, and performance management. **Results area 3b** was to improve procurement practices.

d. Comments on Project Cost, Financing, Borrower Contribution, and Dates

Program cost. Total project cost at appraisal was estimated at US\$70.22 million. Actual expenditures at closing were US\$107.90 million.

Financing. An International Development Association Credit denominated in Special Drawing Rights (SDR) was provided. The full amount, SDR32.6 million, was disbursed. The original US dollar equivalent was US\$50 million. Due to exchange rate changes, US\$46.2 million was disbursed in US dollar terms.

Borrower contribution. The estimated government contribution at appraisal was US\$20.22 million. The actual contribution at closing was US\$61.7 million.

3. Relevance of Objectives

Rationale



The PDO was relevant to the situation in Punjab, it supported government strategy, and it was aligned with the World Bank Group's Country Partnership Framework (CPF) for FY2015-20. While Punjab is the wealthiest province in Pakistan, poverty and economic inequality are high, and the quality of public services is poor. Reliable information about performance and service delivery is scarce, limiting accountability within the administration and vis-a-vis the public, and the shaping of appropriate policies. Insufficient fiscal space to meet investment needs and sustain service delivery at adequate levels points to the need to enhance effectiveness of revenue collection and public spending. The Punjab governance reform program addresses these challenges: it aims at strengthening accountability and transparency to improve service delivery and improve financial management systems in Punjab. The CPF includes governance as an important part of the Bank's engagement with Punjab and emphasizes accountability and transparency for building management and administrative systems. The Punjab governance reform program provided the basis for developing a Bank-supported Program that addressed a coherent sub-set of the Punjab governance reform program, one that focuses on transparency, performance monitoring, and resource management. It also provided a good basis for determining the type of intervention: program support through a PforR instrument that allowed direct emphasis to be placed on results by making them the basis for disbursement of funds; and linking the Bank's technical and financial assistance closely to institution-building and capacity development. A robust results chain provided a framework for the activity.

Rating
High

4. Achievement of Objectives (Efficacy)

Objective 1

Objective

To improve transparency of targeted departments of Punjab

Rationale

The objective was to be achieved by improving citizens' access to information, notably the proactive disclosure of official information on the activities of targeted administrative departments (provincial and district offices). This was to be facilitated by introducing automated record management systems in the targeted departments to (i) facilitate access to public services and interactions between the services and citizens through information and communications technology interfaces; and (ii) enhance performance monitoring and feedback systems, including engagement by the public.

By the end of the Program, all department-level decision-makers were using service delivery information to monitor selected public services provided in Punjab (health, education, agriculture). 2.9 million enquiries/comments had been received by the Citizens Contact Center seeking information about providing feedback on key services. No data were provided on the number of these that were responded to.



Specifically, the following had been achieved:

Altogether 84 targeted departments were publishing updated institutional information on their websites for information to the public, exceeding the target of 75 departments.

246 of a total of 320 public investment projects of targeted departments were geo-mapped and published online, representing 77 percent of projects, and exceeding the target of 75 percent.

8 departments have automated departmental records, compared to a target of 7.

68 public services provide information on their services (farm inputs, agricultural subsidies, immunizations, professional services, etc.) through a Citizens Contact Center, compared to a target of 30.

Province-wide online application services are available for 14 services (training programs, registration services, etc.), compared to a target of 13.

161 public province-wide functional facilitation centers are operational (against a target of 36), providing civil registration documents, driver's licenses, property title documents, etc.. An additional 393 centers (against a target of 300) are operating as public-private partnerships.

216 district services are being monitored by smart management tools (field workers transmitting data through smart phones to field supervisors for performance monitoring and analysis), compared to a target of 216 services.

144 district services proactively collect citizen feedback on agriculture and health services, and on performance of field staff, compared to a target of 100.

180 district services publish performance information and citizen feedback online, equaling the target. The ICR does not provide information on client satisfaction. The ICR does not provide information on client satisfaction.

Rating
Substantial

Objective 2

Objective

To improve resource management in targeted departments of Punjab

Rationale



The objective was to be achieved by improving efficiency and transparency in tax administration by focusing on improving the administration of the urban immobile property tax, and on procurement processes.

As a result, a digital database of property records (a digital property registry) was developed to improve tax collection. Currently, 36 districts have a functional digital property registry, compared to a target of 34 districts; and 1.08 million properties have been added to the registry during the five-year Program period. During 2018, 155,600 properties were added to the property registry, compared to an end-of-Program annual target of 150,000. By Program closing, urban immovable property tax collections had reached over 10 billion Pakistani rupees (PKR), more than double the baseline, and exceeding the target of 6.9 billion PKR.

To improve procurement processes, the PPRA introduced a procurement MIS as part of the PforR, and at Program closing, 153 targeted organizations were using it to carry out procurement of large contracts. In addition, all contracts in targeted organizations were being processed through basic e-procurement modules, exceeding the target of 75 percent.

Rating
Substantial

Rationale

Overall Efficacy Rating

5. Efficiency

Efficiency Rating

- a. If available, enter the Economic Rate of Return (ERR) and/or Financial Rate of Return (FRR) at appraisal and the re-estimated value at evaluation:



	Rate Available?	Point value (%)	*Coverage/Scope (%)
Appraisal		0	0 <input type="checkbox"/> Not Applicable
ICR Estimate		0	0 <input type="checkbox"/> Not Applicable

* Refers to percent of total project cost for which ERR/FRR was calculated.

6. Outcome

Relevance of objectives is rated **high**, as they are well aligned with the CPF and governance challenges being addressed by the government's reform program. Relevance of the DLIs is also **high**, reflecting their consistency with the PforR objectives and outcome indicators. Efficacy is rated **substantial** for both objectives, with targets mostly met. These ratings are consistent with only minor shortcomings in the project's preparation and implementation, resulting in an outcome rating of **satisfactory**.

a. Outcome Rating

Satisfactory

7. Risk to Development Outcome

The PforR risk was rated "high" in the PAD, primarily on the basis of technical innovations in design and the involvement of multiple agencies in implementation. This was overcome and is reflected in the Outcome rating. The risk looking forward appears low, as participating Punjab authorities, according to the ICR (page 24), have taken ownership of the transparency and accountability measures that were introduced under the project, and budget allocations are being made to continue activities introduced under the project.

8. Assessment of Bank Performance

a. Quality-at-Entry

The PforR was strategically relevant. It focused selectively on key areas of Punjab's governance reform program, addressing transparency and accountability, and fiscal constraints. The instrument – a PforR – was new and high-risk, being a first for both Pakistan and the Bank, albeit being introduced into a province with a solid track record of governance reform (ICR, page 23). Design drew on lessons from the Pakistan portfolio, and was guided by the findings of a 2010 IEG review that recommended anchoring interventions in larger government planning contexts. Institutional capacity building was introduced as an inherent part of



the program, ensuring that capacity would be in place when needed. The results framework was internally consistent, with DLIs and key indicators coordinated, measurable, and linked to outcomes.

Quality-at-Entry Rating

Satisfactory

b. Quality of supervision

Project implementation benefited from Bank field presence and a local administration that placed a strong emphasis on performance. A strong Bank team in the field facilitated a smooth transition in TTLs during implementation. The executing agency ensured day-to-day implementation, while the Bank provided twice-yearly supervision, combining it with timely support from the Bank's field office. Altogether 10 Implementation Status and Results Reports (ITS) were issued by the team. The major challenges related to the PforR flow of funds where the release of funds sometimes was irregular, requiring temporary financing from non-development budgets.

Quality of Supervision Rating

Satisfactory

Overall Bank Performance Rating

Satisfactory

9. M&E Design, Implementation, & Utilization

a. M&E Design

The results framework for the operation provided a logical sequence of activities that was consistent with the key outcomes and the PDO. Three key outcome areas were defined, with three PDO indicators and five DLIs to monitor progress and determine outcomes. All were measurable.

b. M&E Implementation

The Punjab Resource Management Program (PRMP) had overall responsibility for PforR implementation and M&E. Verification protocols were developed to ensure that PRMP could collect, analyze, and report on each DLI during implementation. The process also included annual third-party verification.

c. M&E Utilization

All indicators were regularly tracked, providing feedback to the government on how well the program was progressing and where interventions might be needed.



M&E Quality Rating

Substantial

10. Other Issues

a. Safeguards

The Program did not trigger any of the Bank's safeguard policies.

b. Fiduciary Compliance

Financial management. The Program mainly supported the provincial government's expenditures through its normal budgeting processes. Disbursements were made upon achievement of the DLIs, with third party validation. The program prepared regular financial reports and benefited from close implementation support by the task team and Bank Financial Management Specialist. The Program's external audit was conducted by the Office of Auditor General of Pakistan (AGP), the supreme audit institution of Pakistan, which is acceptable to the Bank as an external auditor. The external audit was conducted in accordance with International Standards of Supreme Audit Institutions, and an unqualified opinion was expressed by AGP in the audit reports of each fiscal year.

Procurement. The ICR did not discuss procurement.

c. Unintended impacts (Positive or Negative)

None noted.

d. Other

11. Ratings

Ratings	ICR	IEG	Reason for Disagreements/Comment
Outcome	Satisfactory	Satisfactory	---
Bank Performance	Satisfactory	Satisfactory	---
Quality of M&E	Substantial	Substantial	---



Quality of ICR	Substantial	---
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12. Lessons

The following lessons are drawn from the ICR.

Implementation can benefit from governance-sector reform momentum and political ownership. A key factor for success of this operation stemmed from the fact that it was introduced to explicitly support a wider-scale governance reform program in Punjab, with the main components aligned to this broader initiative.

A results-based operation can provide the right financial and non-financial incentives to deliver intended results. This PforR aimed at improved transparency and resource management rather than measurable qualitative or quantitative improvements that might have been difficult to attribute to the Program. PDO indicators were associated to realistic targets, and Disbursement-Linked Indicators (DLIs) were carefully selected to provide the right incentives for achieving the intended development outcomes, in a context characterized by implementation challenges and capacity constraints. The Program focused on strengthening the institutional capacity of a few key agencies, which helped ensure that cross-cutting reforms were effectively implemented.

13. Assessment Recommended?

No

14. Comments on Quality of ICR

The ICR was well-argued and concise. It provided a clear discussion of the PforR and its challenges to allow an assessment of the results and ratings of the operation. Some more attention might have been paid to the implications (if any) of balancing a high country risk and local support for an ultimately successful intervention in a new area.

a. Quality of ICR Rating

Substantial