PROGRAM-FOR-RESULTS INFORMATION DOCUMENT (PID)
CONCEPT STAGE

Report No.: 74579

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<th><strong>Program Name</strong></th>
<th>Punjab Governance Reforms for Service Delivery</th>
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<td><strong>Region</strong></td>
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/[If Add. Fin.] Parent Program ID ---

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<th><strong>Borrower(s)</strong></th>
<th>The Government of Punjab (Pakistan)</th>
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<td><strong>Implementing Agency</strong></td>
<td>Secretary, Planning and Development Board.</td>
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<tr>
<td><strong>Date PID Prepared</strong></td>
<td>November 18, 2012</td>
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<td><strong>Estimated Date of Appraisal Completion</strong></td>
<td>March 2013</td>
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<td><strong>Concept Review Decision</strong></td>
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I. Introduction and Context

Country Context

1. **Human development indicators are weak.** Weak governance – characterized by poor accountability, planning and management - is widely recognized to be a major contributory factor to sub-optimal delivery of basic social and economic services.

2. **Despite serious challenges, the national governance architecture has seen several positive developments.** Some of these, for example, promulgation of the consensual amendments to the constitution and National Finance Commission award, relate to the federation. Other positive developments relate to continuation of the democratic process and the government’s manifest ability to deal with major crises.

Provincial Context
3. **Despite being the country’s wealthiest province, with human development indicators substantially better than the national average, Punjab faces significant development challenges.** Dependency on federal transfers is high and efforts to substantially raise own source revenue have been relatively ineffective. In particular, the large potential of the urban immovable property tax remains unrealized. In addition, public service delivery, in line with the national numbers, falls far short of the expectations of the population.

4. **Governance and public management challenges hamper service delivery.** Actively cognizant of the shortcomings in service delivery and widespread frustration with petty corruption, the Government of Punjab has made several efforts to improve governance -- with some impact. According to the latest Transparency International 2011 report, citizens’ perceptions of the Punjab Government have improved in recent years, the only province among the four which has seen an upturn.

5. **The government has appointed a blue-ribbon Institutional Reform Group (IRG), chaired by a senior politician and composed of senior civil servants, to develop Punjab’s governance program.** Over the next five years, the program aims to implement a coherent set of interventions - immediate, medium and long-term – to improve citizens’ perception of governance performance of the province and improve citizen satisfaction with service delivery. The government’s proposed program, building on several ongoing initiatives and plans, is divided into nine themes: (1) meritocracy; (2) transparency and accountability; (3) fostering innovations and knowledge management (4) results-based government; (5) e-governance; (6) decentralization of service delivery functions to districts; (7) resource mobilization and value for money; (8) public private partnerships; and (9) leadership for results.

II. **Program Development Objective(s)**

6. **The primary objective of the proposed program is** to improve transparency, accountability and financial management by strengthening targeted institutions of the Government of Punjab.

7. **Key Program Results.** The following tentative results that are expected to reflect and measure success in achieving the PDO have been identified:

   - Information on service delivery performance proactively disclosed and disseminated.
   - Evidence-based management information systems established and used.
   - E-service delivery implemented by key departments in key services.
   - Improved revenue generation and increased value for money from procurement systems.

III. **Program Description**

8. From among the nine themes included in the provincial government’s governance program, it is proposed that the Bank focuses its support in four themes: (a) transparency, and accountability; (b) results-based government; (c) e-governance; and (d) revenue generation and procurement reforms. The proposed results areas for Bank support, put together, represent a
feasible and focused means to support the two overarching government aims of improving service delivery and increasing fiscal space.

9. **Result Area 1. Transparency and Accountability.** The program will support implementation of the impending Freedom of Information (FOI) legislation in the province. Key departments will proactively disclose information on service delivery. Citizens will also seek information from government. This will require assessment of the types of information most in demand by citizens, appropriate channels and processes to provide the information, and building of capacity of government departments and the proposed Punjab Information Commission.

10. **Result Area 2. Results Based Government.** The program will assist the Punjab Information Technology Board (PITB) to support key service delivery departments to build modern management information systems, underpinned with high quality cell-phone based data collection systems from the field, to improve management of service delivery performance. The proposed provincial delivery unit will use this information to help political and civil service decision makers make performance management decisions.

11. **Result Area 3. E-Governance.** The program will support the institutionalization of e-services in Punjab by: (a) harmonizing and coordinating the numerous ongoing initiatives and bringing about due standardization, data sharing, inter-operability and efficiency; (b) develop capacity within line agencies to strategically utilize Information and Communication Technologies (ICT) for service delivery. In particular, the program will work with PITB to assist a defined number of departments to deliver their specified services through electronic means. Special focus will be on delivery of information services to citizens.

12. **Result Area 4. Resource mobilization and Value for Money.** This result area aims at supporting Theme #7 of the government’s program through two sub-result areas:

13. **Result Area 4.1. Property Tax Collection.** The program will assist the Punjab Revenue Authority (PRA) to improve the collection of property tax by re-engineering business processes and implementing new IT systems for enhanced property tax collection. The program will build on the GIS databases being prepared through another World Bank supported project. Other own source revenue sources – such as motor vehicle tax and excise tax - will also be considered in the future. While the effort to increase revenues may involve several agencies, this result area will focus on PRA and its mandate.

14. **Result Area 4.2. Procurement Systems.** The program will work with the provincial government to build the capacity of the Punjab Public Procurement Regulatory Authority (PPPRA) with the overall goal of implementing e-procurement in selected departments, ensuring online publication of tenders above a certain value, and putting in place a PPPRA performance management system, including identification of savings incurred through procurement reforms.

IV. **Initial Environmental and Social Screening**

15. As prescribed in the PforR guidelines, the proposed operation is not likely to include activities which involve risks of significant or irreversible environmental or social impact.
However, once the results framework is fully developed the operation will be screened for such adverse impacts and a decision will be made on whether a full Environmental and Social Management System Assessment is required in order to examine the existing systems for environmental and social management as well as how these systems perform in practice. If required, the team will conduct such an assessment, which will be publicly available for consultations before appraisal.

V. **Tentative financing**

**US$50 million**

Source: IDA
Borrower/Recipient
IBRD
IDA
Others (specify)

VI. **Contact point**

**World Bank:** Zubair Bhatti
Contact: World Bank
Title: Senior Public Sector Management Specialist
Tel: 051-9090206
Email: zbhatti@worldbank.org

**Borrower/Client/Recipient**

**Implementing Agencies**
Contact: Mr. Arif Anwar Baloch
Title: Secretary, Planning and Development Board, Civil Secretariat, Lahore
Tel: 042-9921019
Email:

VII. **For more information contact:**
The InfoShop
The World Bank
1818 H Street, NW
Washington, D.C. 20433
Telephone: (202) 458-4500
Fax: (202) 522-1500
Web: http://www.worldbank.org/infoshop