Punjab Public Management Reform Program

Program for Results Operation

Detailed Technical Assessment

Prepared by the World Bank

*Pictures by Haroon Lali
This document includes the full Technical Assessment of the Punjab Public Management Reform Program. The Assessment is based on the technical analysis of the Program, which should be carried out to meet the requirements of OP/BP9.00, as elaborated in the Technical Assessment Guidance Note. It covers: the strategic relevance and technical soundness of the proposed Program; the Program’s results framework and monitoring and evaluation; the Program’s governance structure and institutional arrangements; and the economic justification of the Program. It also presents an evaluation of the technical risks; and defines the improvements proposed as part of the Program Action Plan.
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BACKGROUND

Punjab is Pakistan’s largest province, accounting for 74 million of a national population of 132 million in 1998; it is also the country’s wealthiest, with a share of 52 percent of the economy. Although key provincial 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 it may have increased since then, and its severity is the highest of all the provinces except Balochistan. Economic inequalities within different classes of households and between urban and rural areas have risen. Moreover, wide variations exist across districts and along the urban/rural and gender divide.

Table 1: Key Social Indicators in Pakistan and its Provinces

<table>
<thead>
<tr>
<th>Province</th>
<th>Literacy</th>
<th>Gross Enrollment</th>
<th>Infant Mortality</th>
<th>Child Mortality</th>
<th>Tap Water</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pakistan</td>
<td>50</td>
<td>95</td>
<td>78</td>
<td>18</td>
<td>55</td>
</tr>
<tr>
<td>Punjab</td>
<td>50</td>
<td>98</td>
<td>81</td>
<td>16</td>
<td>29</td>
</tr>
<tr>
<td>Sindh</td>
<td>59</td>
<td>04</td>
<td>81</td>
<td>22</td>
<td>43</td>
</tr>
<tr>
<td>Khyber-Pakhtunkhwa</td>
<td>50</td>
<td>09</td>
<td>53</td>
<td>13</td>
<td>45</td>
</tr>
<tr>
<td>Balochistan</td>
<td>41</td>
<td>74</td>
<td>49</td>
<td>11</td>
<td>95</td>
</tr>
</tbody>
</table>

Sources: PSLMS 2013 (literacy, enrollment, and tap drinking water); PDHS 2008 (mortality rates, fertility and contraceptive prevalence).

Punjab has struggled to create the fiscal space needed to meet its minimum investment needs and sustain service delivery improvements. With the federal government responsible for most broad-based taxes, Punjab’s finances depend heavily on revenue transfers from the federal government—accounting for 88 percent of the overall provincial revenue. Efforts to raise own-source revenue—including the two broad-based and potentially buoyant property and agricultural income taxes—have been relatively ineffective. The potentially large Urban Immovable Property Tax (UIPT) remains unrealized because of extensive exemptions and mismanagement. Under the 18th constitutional amendment, the devolution of additional service delivery functions and personnel to the provinces has also reduced Punjab’s fiscal space, while largely inefficient procurement practices prevent it from achieving cost-effective service delivery.

Despite Punjab’s relative prosperity and the increased share of social programs in its overall development expenditure, the quality of public services is poor and improvements in key social indicators have been slow. The data on health services indicates the relatively low use of government facilities versus private dispensaries or hospitals; other services follow a similar pattern. According to the Pakistan Social and Living Standards Measurement Survey (PSLMS) for 2011/12, satisfaction with public services such as family planning (10 percent), basic health units (30 percent), veterinary services (17 percent), agriculture extension (15 percent), and
policing (9 percent) is even lower than the extremely low national average. The private sector, largely unregulated and uncoordinated, has stepped in to deliver a wide range of education, health, and agriculture services. The receding public sector has exacerbated social inequalities, middle and upper-class households are able to use better quality private providers while the poor resort to lower quality public providers.

Recognizing these service delivery shortcomings, the Punjab government aims to improve governance—the central cross-cutting challenge—by leveraging new opportunities presented by the major constitutional, political, social, and economic shifts in the country (Institutional Reform Group 2012a). First, the 18th Amendment to the Constitution has empowered the provinces by allocating to them more functions and resources, introduced the right to information as a fundamental right, and strengthened the consensus on local governments (National Assembly Secretariat 2010). Second, the increasing maturity, quality, and competition of the democratic process have paved the way for more politics of performance and less politics of patronage. Third, an assertive free electronic media has contributed to the increasingly vigorous democratic process and citizens’ awareness. Almost 30 million viewers watch the news every day on the country’s top 10 news channels (Gallup Pakistan 2012). Fourth, almost 68 percent of Pakistan’s population is under the age of 30 (Pakistan Bureau of Statistics 2010-2011). While this represents substantial challenges for the state in terms of providing education and job opportunities for example, it also offers new opportunities to engage a cohort of more technology-literate, engaged, and assertive citizens. Finally, the use of mobile telephones has accelerated countrywide: by fiscal year (FY) 2012, the teledensity in the country had increased to 71.7 percent—a 5 percent increase from the previous year (Pakistan Telecommunication Authority 2012).

The Government of the Punjab appointed a blue-ribbon Institutional Reform Group (IRG) to develop a five-year Governance Reforms Program (2013–2018). The nine themes of the government program, as officially communicated to the World Bank, are:

i. Appointing on merit competitive human resources at various tiers of government

ii. Ensuring transparency, accountability, and participation to fight corruption and improve citizen engagement

iii. Promoting and sustaining innovations to improve service delivery

iv. Improving performance and service delivery with a focus on quality, productivity, evidence-based planning, business process reforms, restructuring government departments, and realigning service providers’ incentives

v. Implementing and embedding e-governance with a focus on leveraging geographic information system (GIS) tools and the mobile telephone revolution
vi. Strengthening the decentralization of service delivery functions to districts, following the constitutional mandate to pursue devolution

vii. Optimizing revenues and increasing expenditure efficiency with a focus on e-procurement, project management, and zero-based budgeting

viii. Promoting public–private partnerships (PPPs) in Punjab in infrastructure and in social and productive sectors to mobilize private finance and provide citizens with efficient public services

ix. Cultivating leadership for results

Figure 1: The Punjab Governance Reforms Roadmap

A detailed five-year “roadmap” fleshes out these nine themes and describes the underlying principles of the government’s program (figure 1). Service delivery improvement, continuous dialogue, and supporting sector reforms are central to the program. Institutional reforms, such as decentralization, will be taken up wherever they are clearly linked to service
delivery improvements at the district level and direct results in the field are quickly evident. Dialogue and engagement with all stakeholders, particularly beneficiaries, will be an ongoing process. In addition to directly taking up certain larger-sector institutional issues in health and education, the roadmap will supplement these efforts by raising the level of dialogue and decision making to address critical bottlenecks. It will do this by introducing innovative practices and ensuring that the senior political and civil service leadership is continually apprised of the service delivery performance of lower tiers.

The Program

The Punjab Public Management Reforms (PPMR) Program (“the Program”) will support four themes—(i) transparency, (ii) results-based management, (iii) e-governance, and (iv) the creation of fiscal space—of the government’s program. (World Bank supported themes are shaded in figure 1). In particular, the Program will carry out the following:

- **Improve the management of key departments.** Weak human resource management and the poor performance of key field staff underlie departments’ poor service delivery performance. However, without good administrative data, which drives better management and decision-making, it is difficult to manage human resources, provide performance incentives, assess the effectiveness of government programs, and identify the required corrections. The departments of livestock, agriculture, and excise and taxation lack adequate information about their target population and the level of services offered by frontline providers; the information they have is neither accurate and timely, nor granular. Mechanisms for collecting data on field-level service delivery in the provincial health department are unreliable and would benefit from a shared platform built by the Punjab Information Technology Board (PITB). The provincial Education Department has an elaborate third-party data collection mechanism that could be improved with modern information and communication technology (ICT) tools. The Program will, therefore, support the adoption of smart monitoring systems to collect data, oversee the delivery of field services, and seek citizen feedback to facilitate the use of this information in decision-making. Similarly, new information systems for property tax and procurement performance will help improve resource management by providing decision makers with better information. The disclosure of this performance information within and outside the government will also be supported to promote evidence-based decision-making and to strengthen demand-side incentives for performance.

- **Remove information barriers to accessing services.** The lack of process related information about services is a critical bottleneck for the average citizen. Using ICT interfaces, the Program will improve access to information about services and facilitate registration, payments, and the processing of key services. Acknowledging that low literacy levels, education- and language-related constraints, and cultural practices can hamper vulnerable groups’ access to services, the Program will also facilitate access via helplines in local
dialects, employ female agents, and institute facilitation centers to help women, rural communities, and the poor. Transparency and access to information can also help modify the behavior of service delivery actors, provide incentives for improved performance, and reduce opportunities for “middle men”.

It is also necessary to sustain the reform momentum. The Program will, therefore, support interventions aimed at the following:

- **Improving the transparency of targeted departments.** The publication of performance information will strengthen the external accountability of government agencies, making the results achieved more evident; and giving reformers incentive to sustain the ongoing initiatives.

- **Supporting the creation of fiscal space.** For the province to be able to increase the funding available for service delivery initiatives and sustaining improvements, it must increase its own sources of revenue and spending efficiency. Supporting provincial efforts is critical if the potentially large UIPT is to be realized and public procurement made more efficient.

The proposed approach aims to deliver quick and visible front-end results in areas where large-scale pilots have already created momentum and government commitment is evident, while creating incentives to undertake longer-term institutional reforms in a complex political economy environment. Making information available and publicly acknowledging good performance will also give reformers the incentive to sustain the momentum and undertake eventually more challenging reforms.

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

The key outcomes to be achieved are the following:

- **Result Area 1:** Transparency and Access to Service: Improved citizens’ access to information about key services

- **Result Area 2:** Smart Monitoring and Feedback Loops: Improved management of key services

- **Result Area 3:** Resource Mobilization and Value for Money: Improved urban property tax collection

The theme common to these three areas is the increase of information flows using innovative ICTs that offer dramatic new possibilities for collecting, analyzing, and circulating data, and engaging citizens for effective public management reforms. The deeper and wider circulation of better-quality information—within the government for performance management
and decision-making and outside for transparency—will improve management by increasing internal and external accountability.

**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 the targeted administrative departments; and geo-mapping and publishing online public investment projects. The Punjab Resource Management Program (PRMP) will implement activities under this result area, which, as part of the Planning and Development Board, it is well positioned to do.

The following information needs to be proactively disclosed:

- The objectives, functions, and duties of each department or entity;
- The relevant legislation or rules; a list of services provided specifically to citizens;
- Organizational structure;
- The name, designation, biographical information, and contact details of the minister and top officials concerned;
- The name, designation, and contact details of officers at the provincial, regional, and district level;
- The number and distribution of employees by service, grade, and tier (provincial, regional, and district);
- The number, type, and spread of facilities; the budget for the current year;
- Details of major projects and initiatives underway.

This second set of interventions aims to support PITB’s agenda to improve the supply of information and citizens’ access to public services through the use of ICT-based tools across the service delivery value chain. The proposed roadmap starts by making quality information about public services readily accessible; enabling payments through electronic, mobile, or branchless platforms; allowing online applications; and eventually introducing back-end automations using a connected government framework. The primary activities to be supported include: (a) offering citizens information on key public services through ICT interfaces (web-based, helplines, and SMS); and (b) using ICTs to automate the delivery (electronic payments, online application, and back-end automation) of these services. This will require individual and firm consultancies and the acquisition of ICT equipment.
A number of promising e-government initiatives, already implemented by PITB under the Punjab Gateway Project, need to be sustained and scaled up. The proposed interventions will focus on learning from and building on these initiatives to avoid redundancies. Increasing access to procedural information about day-to-day public services will be the central focus. Information will be delivered electronically through multiple channels including helplines, SMS, web portals, and facilitation centers. The front-end e-services will be supported by integrated, innovative back-end processes and systems to ensure seamless delivery.

The required information to be delivered via ICT channels includes: (a) minimum service delivery standards; (b) application forms; (c) eligibility criteria; (d) documentation and approval requirements; (e) fees, taxes, or levies; (f) payment mechanisms; (g) offices and locations; (h) timings; (i) process details; (j) turn-around-time; (k) delivery mechanisms; and (l) information channels.

PITB also intends to use a sophisticated shared infrastructure to connect various government functions, which will facilitate data sharing for automated processes and protocols and produce a comprehensive portfolio of e-services for citizens. While these e-services—especially voice-based helplines—are designed to enable self-service, the Program also envisages a distribution network of facilitation centers, given the literacy barriers in many rural areas of Punjab. These centers, managed partly through PPPs, will give large segments of the rural population convenient access to government services.

Assisted by PRMP, PITB will lead the proposed drive to promote information and e-service interventions within the selected departments. These departments’ ICT capacity will be enhanced to ensure the reforms are sustained. These interventions will include: (a) placing information analysts hired by PITB within the selected departments and (b) appointing department focal persons at the additional secretary level to effectively implement the e-services (and related ICT and governance) agenda. Both organizations have the technical capacity to develop technical specifications for the various consultancies needed. The Bank will provide support wherever necessary.

**Result Area 2: Smart Monitoring and Feedback Loops**

The proposed interventions under this result area will help PITB develop, implement, and institutionalize smartphone-enabled evidence-based management systems in five key service delivery departments: (a) Livestock and Dairy Development, (b) Irrigation, (c) Agriculture, (d) School Education, and (e) Health. The specific interventions can be categorized broadly into three distinct aspects of the “smart monitoring” cycle: data and feedback collection and analysis, reporting and response, and public dissemination.
The first step will be to equip field-based service providers (for example, agriculture extension assistants) with low-end Android phones to gather data. Depending on the service and level of monitoring needed, they will document the basic details of the activity conducted, take photographs (for example, take pre- and post-activity photographs, note spatial coordinates, collect audio or video data and record beneficiaries’ names and mobile telephone numbers. This data will then be transferred through GPRS, SMS, or wireless internet to a back-end database maintained by PITB. Automated analysis at the back-end will generate performance reports on a dashboard. Simultaneously, a sample of beneficiaries will be contacted (using the details collected earlier) to gather feedback as a key quality check of the service rendered. Both reports will be combined to produce various comparative performance indicators, and emphasize the visual presentation of data, covering individuals, facilities and districts in sequence.

Second, reports at various layers of aggregation will automatically be e-mailed, faxed, or posted to various managers in the field and to PRMP. This information will help senior management make policy and resource decisions, and the district management in undertaking evidence-based performance management. The shared infrastructure built by PITB will provide the participating departments this analysis service. Senior provincial government officials will provide monthly comments and upload their questions directly onto the dashboard. Field managers at the district level and below will respond to the performance reports directly through the dashboard. Any remedial or punitive actions taken will also need to be reported. This systematic feedback loop will increase the use of the performance information by service delivery managers at all levels of each department. PRMP will regularly review the performance data and submit reports to the departments’ secretaries; it will also present its analysis to a steering committee. The committee will annually review a report prepared by PRMP suggesting changes in resources and in the financial and psychological incentives given to service providers and field managers to ensure that the concept is effectively implemented and service delivery improved.

Third, the periodic performance reports will be made public and actively disseminated to the media and civil society. Daily data will also be made public, barring those services where legal or cultural constraints might limit public disclosures (attendance photographs of female workers, for example). Public participation and pressure is expected to encourage senior politicians and managers to improve their performance.

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

The Punjab government and PITB have already experimented successfully with smartphones for collecting data on and monitoring a wide variety of projects. This has included managing the dengue epidemic, monitoring the movement of Health Department managers managing female health supervisors in Layyah district for the Maternal and Child Health Program,\(^1\) assessing flood damage, and monitoring Election Commission code violations. The proposed interventions will build on these pilots. The smartphones and dashboards will be hosted and managed by PITB’s shared infrastructure, which includes service desks for field support and centralized agreements with telecom operators. These interventions will be implemented in phases, perhaps initially piloted in the districts covered by the UK Department for International Development (DFID)’s Subnational Governance Program (SNG) and extended gradually to the remaining target districts over five years. PITB’s capacity and that of each department’s provincial and district managers will have to be enhanced, especially to manage the process and analyze data. Incentives will also be introduced to encourage sustained data reporting.

The key activities to be supported under this result area include: (i) implementing a data collection system based on smartphones in key service delivery departments, (ii) producing performance reports for decision making and gathering administrative and citizens’ feedback, and (iii) ensuring the public disclosure of performance reports. These interventions will require individual and firm consultancies and the acquisition of ICT equipment and solutions. PITB has adequate capacity to develop technical specifications for the consultancies and contracts needed.

**Result Area 3: Resource Mobilization and Value for Money**

The investments in the first two result areas focus on generating the maximum results from existing budgets and personnel. Improving service delivery, however, will require more resources. The third result area focuses, therefore, on improving financial management by augmenting the efficiency and transparency of property tax administration and procurement processes.

**Result area 3.1: Reforming provincial taxes.** The proposed interventions in this subarea include supporting the Excise and Taxation Department (E&TD) to improve the administration of UIPT. Specific interventions include (a) developing a digital database of property records to improve

\(^1\) See website links for details:


ii. Health Department: [http://221.120.222.129/phsrp/map/](http://221.120.222.129/phsrp/map/)

tax calculation; (b) implementing revised ICT-based business processes to improve tax collection, especially billing, compliance, and performance management; and (c) making it easier for citizens to interact with the tax system. These interventions will require individual and firm consultancies and the acquisition of ICT equipment.

Having thoroughly reviewed the digitization of property records pilot project in Sialkot, the Punjab government 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 business processes will build on the lessons learned from this pilot; a related randomized control trial testing the impact of incentives on tax collection is being conducted by the International Growth Centre. The E&TD will implement the interventions under this result area.

Result area 3.2: Reforming procurement practices. Under this sub-result area, the Program will focus on developing a procurement management information system (MIS) to capture the major features of procurement performance (for example, the number of days between tender and award, the number of bidders, the final price versus the bid price, the nature of contracts and bidders, contract completion times, and kinds of procurement processes adopted). This intervention will target the major procuring agencies of the departments concerned. An e-procurement strategy will be developed and implemented in phases at selected procuring agencies. The Punjab Procurement Regulatory Authority (PPRA) will implement these interventions. This will require individual and firm consultancies, training, and the acquisition of ICT equipment. Several activities have been proposed to augment PPRA’s underdeveloped capacity.

TECHNICAL ASSESSMENT

The strategic rationale for each result area, a technical assessment of the proposed interventions, the technical and implementation risks, proposed measures to address these risks, and a program action and capacity building plan are given below. This is followed by a combined technical assessment of the interventions in the context of the governance roadmap, the Bank’s anticorruption strategy, and public sector reform approach.

Strategic Relevance

Data drives better decision-making. Without valid data, it is impossible to gauge which programs are achieving their goals and which are not, and it is difficult to identify which problems need to be resolved and efficiencies that need to be improved. Building systems to measure how well a government is performing and how efficiently services are being delivered is not easy. Such systems require government commitment, capacity, collaboration, and money. Additionally, a culture that values the importance of using data to solve problems and manage
government programs is necessary. However, it takes time—often years—to design and build the kind of systems and government capacity necessary to collect valid data that can be used to improve program management.

In line with the decline of national governance standards in the public sector since the late 1970s, Punjab’s internal administrative data collection and analysis systems have also deteriorated. In a vicious cycle, the decreasing accuracy of field data has further eroded interest in aggregating and using this information to make decisions. This absence of sound administrative data is a central constraint to improving management in the province. More recently, large-scale household surveys—the four-yearly tehsil-level\(^2\) Multiple Indicator Cluster Survey and the annual district-level PSLMS—have provided very good outcome-level data. However, these surveys, by definition, cannot provide the granularity or timeliness of activity-level data needed to hold performance conversations with field managers, given the latter’s short tenures (one or two years or less).

Various sectors have reacted differently to the challenges of administrative data collection. In the mid-2000s, the education and health sectors hired 900-odd field-level monitoring and evaluation assistants (MEAs)—all ex-army junior commissioned officers as parallel data collectors for schools and rural primary healthcare facilities. Around the same time, the Irrigation Department constructed an innovative SMS-based system to collect water flow data on the province’s extensive canal system. With one or two notable exceptions, the excise and taxation, agriculture, and livestock administrative data collection systems continued to decline. Overambitious efforts to collect data from the field by equipping basic health units with computers, for example, also failed because of poor connectivity, erratic electricity supply, high costs, and maintenance issues. The relatively nascent PPRA, on the other hand, has yet to develop an information system.

Most recently, the MEA data collection system was used extensively under the DFID-led Education Reforms Roadmap effort (Barber 2013), but has been criticized on two grounds. First, its complete reliance on a third party has further damaged internal supervision and data collection mechanisms. Second, it has also started to show signs of poor quality with reports of inspection forms being filled at home. On the other hand, having pushed the boundaries of innovation, internal managers often dispute the accuracy of SMS-based data collected by internal third parties of the Irrigation Department. Moreover, even the admirable MEA system does not envisage collecting data on the field activities of maternal and child health workers, vaccinators, and nutrition supervisors.

\(^2\) Districts in Punjab generally comprise three or four administrative units called tehsils.
The Program aims to improve these data collection systems in several ways. For field-level service delivery by livestock assistants, for example, low-end smartphones will be used to collect and transmit data. More important, the use of spatial and visual data and of beneficiaries’ mobile telephone numbers to obtain feedback will push the boundaries of what is observable; improve the quality, accuracy, and granularity of the data; and improve evidence-based decision-making. For E&TD, tax billing and collection information overlaid with GIS data will help improve collection and performance management. For procurement, simple MISs will capture the basic features of various contracts to benchmark baselines and facilitate the comparison of prices and suppliers.

Collecting quality data is not, however, enough to build the foundation of a results-based management system. The Program envisages several other measures—encapsulated in the disbursement-linked indicators, intermediate indicators, program action plan, capacity building plan, and implementation arrangements—to complete the loop. Automated analysis through the dashboard will provide managers with information on key numbers and rankings. This analysis will be circulated to all layers of the field via email, fax, post, and SMS. The discussion boards embedded in the dashboard will require managers to participate (including through SMS), forcing field staff to confront their performance data. Provincial management units and the steering committee will also review the analysis. Better data will also help improve the allocation of resources and incentives, and drive the adoption and use of the new systems.

These performance reports will not be password-protected. External accountability through the media and civil society will help drive the political incentive to perform. Transparency, the other major theme of the Program’s interventions, will also help improve service delivery in other ways. The availability of information about organizations (the location of public investment schemes, for example) will help increase citizen-state trust, reduce corruption, and improve planning. More important, information about day-to-day service delivery processes (especially available through helplines) will facilitate access for the vast majority of urban and rural citizens who have no Internet access—and are not likely to in the near future, for cultural, education, and connectivity-related reasons. Such information will empower them in relation to petty officials who use citizens’ lack of knowledge of processes, among other reasons, to extort bribes. (More front- and back-end automation is needed to launch a full frontal attack on corruption in service delivery and while these interventions are also envisaged over time, the initial focus will be on providing information.)

In addition, the Program leverages the options that new ICTs\(^3\) offer to develop fresh ways of collecting, analyzing, and circulating data, and to engage citizens for effective governance reforms. For almost two decades, many governments have used ICT tools to improve the

\(^3\) ICTs can mean any electronic, web-based, or mobile technology or any combination thereof.
accountability of service delivery, uptake, and even performance. Today, the internet, feature phones and smartphones are three modern tools that give developing countries the chance to leapfrog in certain areas. For Pakistan, the opportunity to use ICT has never been greater. While broadband internet use is still low, it is rapidly growing, along with the number of mobile telephone users, which crossed 120 million in 2012 (Pakistan Telecommunication Authority 2012).

These sets of interventions cannot, however, remove all the binding constraints to effective management in Punjab. Major structural problems such as political interference, weak public voice, dysfunctional salary systems, and civil service rigidities to name a few, are likely to persist. Nonetheless, addressing major information-related obstacles to the poor performance of service delivery departments and access to services will help improve management.

Technical Soundness

The Government of Punjab is actively committed to reform. While it has asked for additional Bank support, the province is already experimenting with numerous ways of deploying ICT as a means to “reinvent” its government (Institutional Reform Group 2012b). For example, a number of government departments are already using ICT on a pilot basis to process and present information automatically in formats that can be viewed in real-time. These departments can then make opportune interventions to improve performance management and service delivery. PITB, Health Department, Livestock and Dairy Development Department, and Urban Unit use GPS-enabled (Urban Unit 2011) Android phones to capture and submit data to an online database. Examples of such ICT-based interventions are the Dengue Activity Tracking System developed by PITB and the pilots implemented under the Punjab Health Sector Reform Program and National Maternal and Child Health Program.\(^4\)

The Program’s design is strongly influenced by lessons learned from previous reform attempts and international experiences. Earlier governance reform projects in the province include three Asian Development Bank (ADB)-funded programs—the Access to Justice Program, Devolution Support Program, and Devolved Social Service Delivery Program—that ran in all four provinces from 2002 to 2006. Major Punjab-specific programs include the ADB- and DFID-funded PRMP and its successor, the Punjab Efficiency Improvement Program, which focused on cross-sectoral issues such as debt management, private sector development, and civil service reforms. Unfortunately, two major factors have contributed to the absence of a visible impact in the case of these programs. The Police Order 2002 and Local Government Ordinance 2001—the two major reforms introduced under President Pervez Musharraf’s government, on

\(^4\) See website links in footnote 1 for details.
which three of these programs were premised—were never fully owned by most major political parties nor did their focus on upstream reform catch political and public attention.

Recent diagnostics conducted by the Bank and others also support the need for the public management interventions included in the Program. In particular, the Public Expenditure and Financial Accountability assessment conducted by the Bank and other development partners in 2012 rated revenue collection and procurement processes “D”, and highlighted several possible areas of improvement in these two critical areas (World Bank 2012a). The report also recommended citizen oversight of budgeting and execution 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 in property tax administration.

In emphasizing citizen engagement, transparency, and ICT, the Program also draws on lessons from the Bank’s Governance and Anticorruption (GAC) Strategy. The GAC Strategy notes that citizens, armed with unprecedented opportunities to access and share information through new communication technologies, are increasingly unwilling to accept a passive social role and are demanding the rights and the responsibilities of citizenship (World Bank 2012b). The strategy observes that citizens now seek a relationship with their government that is based on transparency, accountability, and participation, and ask for the equitable distribution of material gains as well as a say in how they are governed.

Result Area 1: Transparency and Access to Services

Result Area 1.1: Transparency

Strategic Relevance

Open and transparent government is widely recognized as a critical requirement for good governance. A key requirement for transparency is access to information, also known as freedom of information (FOI) or the right to information. Globally, FOI legislation is now ubiquitous. In 1989, FOI laws (of any kind) existed in only eight countries in the world; by 2010, over 70 countries had FOI laws, and this number is believed to have grown to 85 and is constantly increasing. What was once considered to be a governance reform—a measure to make the government more accountable to the public—is now widely, if not universally, recognized as a fundamental human right.

This virtual revolution in the recognition of the right to information has occurred for a number of reasons. At a general level, it can be seen as part of the democratization process that has now touched almost every country. New technologies that have transformed people’s relationship with information at every level have, undoubtedly, also played a role, affecting
attitudes toward information—now treated as a right rather than a privileged resource—and the practical ability to access it. Underlying these wider phenomena, however, are a number of utilitarian benefits that the right to information delivers to society. These include promoting democratic participation, exposing corruption, fostering accountability and good governance, improving service delivery, and facilitating competitive businesses.

The current FOI regime in Pakistan is weak. The federal Freedom of Information Ordinance, promulgated in 2002, has numerous shortcomings. Its scope is limited (covering only some federal bodies), it has numerous exemptions and weak enforcement mechanisms, and requesting information is not a straightforward process. The FOI Ordinance 2002 is discredited for this reason, as well as the fact that it was introduced by former President General Musharraf rather than through a consultative process involving elected bodies. As a result, implementation has been very weak: very few federal bodies have designated FOI officers, FOI capacity building is negligible, 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 enforce compliance by government departments. Several federal and provincial special laws also require public disclosure, but their provisions are rarely implemented. Most recently, in a landmark development, the 18th Constitutional Amendment introduced Article 19-A granting all citizens the “fundamental right” of access to information in all matters of public importance.

The Punjab government provides some information through its web portal, and departmental and institutional websites. Certain sites, such as the government’s Punjab laws portal, the Punjab Education Sector Reforms Program, and PRMP, provide useful information. The Finance Department publishes its complete annual budget on its website in PDF format. The Punjab Police and Education Department share significant information about their departments whereas other departments are represented online through the Punjab government’s website uploading laws or promoting an informal (and mostly ineffective) presence through social media such as Facebook. On most sites, the information available is often inconsistent and dated. Documents, such as notifications, which are by definition public, are often shared only with the relevant government officials. The more common means for people to acquire information is through informal personal connections.

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5 See website links for more details:
  ii. Punjab Education Sector Reform Program: [http://www.pesrp.edu.pk](http://www.pesrp.edu.pk)
The Government of Punjab aims to promote an open and responsive government. It has implemented specific measures in this context, such as preparing a draft Punjab FOI act, making citizen feedback mechanisms operational (see annex 1), and leveraging mobile phones and call centers for proactive public input on the quality of services received and issues faced. This information will be used to improve services and address problems. Access to information depends, however, on its ready availability. Various initiatives are underway in different departments and sectors to set up MISs that will allow such ready access. One example is the land records MIS being set up by the Department of Revenue.3

Under this result area, the Program’s proposed interventions focus on creating an enabling environment and capacity within the government to promote open government, and on building public awareness and demand for an FOI regime to improve transparency. Specific activities include ensuring that official information is proactively disclosed; establishing automated record management systems within key departments; and geo-mapping and publishing online provincial, district, and tehsil development projects.

Technical Assessment

Under the PPMR Program, fostering open government is both a stand-alone result area and a cross-cutting theme that features in all the other components. The promotion of e-services, for example, entails the dissemination of information on how and where to obtain services. Making procurement processes transparent is a vital part of the revenue-raising component. Smart monitoring relies on internal transparency, such as information about the extent to which personnel are carrying out their assigned duties.

The overall strategy for the specific result area is to support the Punjab government in achieving open and transparent government irrespective of whether FOI legislation is passed. At the same time, the Program will support efforts, through parallel technical assistance, to promote the passage of sound FOI legislation. It should be stressed that many of the interventions undertaken to foster open government will also—in the likely event that legislation is passed—support the implementation of the Punjab Freedom of Information Act.6

The current draft of the proposed Act already represents a huge improvement on the federal Freedom of Information Ordinance 2002 (Hanif 2013). Its premise is that information should be available, it applies to many more bodies, has fewer exemptions, allows for urgent requests, provides for an independent information commission, and overrides other legislation. A sound FOI act introduced by a democratically elected assembly will in itself avoid many of the pitfalls that rendered the federal FOI Ordinance 2002 ineffective.

6 The Punjab Transparency and Right to Information Ordinance 2013 was promulgated on October 4, 2013.
However, FOI legislation on its own will not bring about citizens’ access to information, which requires proper implementation and enforcement. Implementation entails the proactive disclosure of information by government entities, the designation and capacity building of FOI officers, and proper automation of records. The suggested interventions will foster open government. Although the enactment of the proposed FOI law will facilitate the implementation of all these interventions, they do not depend on its promulgation. All these interventions—proactive disclosure, an automated record management system, and the geo-mapping of new development schemes—represent a movement toward increasingly open government.

More specifically, the first intervention requires targeted 75-plus public agencies to disclose a minimum defined list of information, fostering systems of proactive information release and dissemination. Second, access to information depends on information being easy to trace, which, in turn, requires proper record management systems. Most government departments in Punjab use manual, file-based ‘systems’ that make it very difficult to trace even recent information, let alone files that are months or years old. Automated records management systems will greatly facilitate tracing information and substantially increase the efficiency of overall functioning. The PPMR Program will support the establishment of automated records management systems in the targeted departments.

The final ‘non-FOI act-dependent’ intervention proposed is the geo-mapping of new development schemes funded either by the provincial government, district governments, or municipal administrations (and their progress). This intervention will promote transparency and accountability, improve development planning, and help reduce corruption.

Additional interventions, supported through DFID Externally Funded Output funds, will focus on training FOI officers and supporting the proposed Punjab Information Commission, as well as strengthening the ‘demand side’ through public awareness-raising campaigns.

**Technical and Implementation Risks**

The main challenge in implementing these transparency interventions is to counter resistance from institutional or vested interests. Especially in the absence of a Punjab FOI Act, departments may be reluctant to proactively disclose the minimum information. Public disclosure of the location of development schemes may also encounter opposition. Additionally, there is currently little capacity within the government to establish automated record management systems; entering ‘old data’ is likely to be very difficult. A bigger challenge is the assumption that civil society will access such information—especially that relating to wider public importance—and put pressure on the government; this might not bear out because of lack of interest or access, or because of other factors. Another risk is the location and role of the implementing department. While the Information Department is currently tasked with stewarding
the legislation, this role should ideally be assigned to the Services and General Administration Department—“the government of the government”.

**Risk Management**

Given the Punjab government’s overall thrust on improving governance—specifically transparency and accountability—and the initiatives already being undertaken in this regard, sufficient momentum can be generated to implement the planned PPMR Program interventions. The absence of an FOI law poses a clear risk, but it is mitigated by the fact that the previous cabinet under the Punjab government had already passed a draft FOI law, making it reasonable to assume that the legislation, given constitutional obligations, is likely to be passed.

A further mitigating factor is that the planned interventions focus on a select set of agencies and are to be carried out in phases. This limited scope should make the interventions feasible, while the phased approach should generate models and champions that can be replicated by subsequent departments. As mentioned above, the previous Punjab cabinet had already approved a draft law, although the quality of the final law may pose another challenge. The Bank is already undertaking activities with DFID’s support to increase the ownership, awareness, and quality of the FOI legislation.

To ensure that the required information on the required location of development schemes is disclosed, administrative instructions could be amended to guarantee that payments are not released without this information being submitted to the designated site. Technically, the system is easy to roll out: inexpensive Android phones with GPS functionality can provide the required data. Related standard operating procedures will be developed and the relevant staff trained to ensure that the intervention is implemented smoothly.

The department’s capacity to implement an automated record management system will be enhanced by involving PITB in building a shared platform and processes for data archiving and access. Training sessions will also be conducted. Building standardized formats will facilitate the implementation of the proposed simplified formats. The planned interventions circumvent the challenge of archiving old data by focusing on the entry of current and future data, and only calling for the entry of old data where essential and feasible. Demand mobilization is an important part of the PPMR Program. Awareness activities—the development of videos to engage the young in FOI activities, for example—are already underway to increase ownership by civil society. In partnership with civil society and other nongovernment institutions, these activities will be organized throughout the life of the Program.

Discussions are underway with the Punjab government to assign the Services and General Administration Department the role of implementing the FOI law. The department is suited to this task because its mandate, according to the Punjab Government Rules of Business 2001,
includes coordination with other departments and suggesting “ways and measures for making government functioning efficient, cost effective and people friendly through reorganization, restructuring and maximum reliance on information technology.” Meanwhile, PRMP will implement the PPMR Program’s proposed interventions. Located at the center of government with the Planning and Development Board, PRMP is reasonably well placed to play this role.

**Capacity Building Plan/Program Action Plan**

Specific Program activities will include:

i. Developing a web-based system that allows departments’ websites to be updated remotely

ii. Reviewing current archiving practices, identifying the information needs of key stakeholders, and developing an archiving system

iii. Implementing a training and awareness plan among the targeted agencies

**Result Area 1.2: Access to Services**

**Strategic Rationale**

As in other parts of the developing world, e-governance has long been considered a solution for alleviating citizens’ problems related to access to services. At every stage of service delivery, from applications, document submission, discrepancy resolution, approvals and attestations, contact with field workers, and document or certificate receipt, citizens have to resort to frequently visiting government offices. The absence of prior information about defined protocols—such as for requirements, application processes and eligibility, approvals, fees, times, and timeframes—and the lack of easy access channels for information and interaction with service delivery offices puts the ordinary citizen at a great disadvantage. Weak monitoring mechanisms, fragmented processes, and manipulation of the system further impede efficient public delivery.

A Bank assessment of e-government initiatives in Pakistan in 2007 identifies the 20 most important services that need to be automated (Aziz 2007). The bulk of high-contact citizen services—utility payments in particular—however, fall under the ambit of the federal government (Aziz 2007). There has been significant progress in restructuring these federal services, both in terms of citizen interface and developing state-of-the-art back-end systems. The payment of utility bills has been transformed with a strong web presence to guide customers, allowing them to print their bills online\(^7\) and make payments through all private banks (in

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\(^7\) See website links for detail:

addition to government banks), ATMs, and mobile or branchless banking networks including telecom sales and distribution channels (State Bank of Pakistan 2013). The National Database and Registration Authority (NADRA) has issued biometric computerized national identity cards to over 90 million citizens. This database of citizens is, in turn, used by various industries and other government functions for authentication and identity management. Meanwhile, Pakistan has also followed global trends in the extensive penetration of telecom services. The increasing use of mobile phones, falling connectivity costs, easy availability of trained human resources, the range of handheld devices available, and an elaborate suite of customized services have affected many traditional business models and processes.

At the provincial level, the Punjab government has, through PITB, focused on introducing ICT-based systems and facilitation at both the government-to-government and government-to-citizen levels. Several initiatives have been successfully piloted, scaled up, and implemented in numerous sectors and functions. Notable examples include: (a) education with online systems to manage secondary education results and admissions; (b) health helplines, disease surveillance and management systems, and medicine management systems; (c) the digitization and automation of land records; (d) proactively seeking citizens’ feedback for services received; agriculture and livestock farmer databases and portals; and (f) the Zimmedar Shehri (responsible citizen) helpline that automates certain complaint functions for the city district government of Lahore.

This result area aims to support PITB’s agenda to improve the supply of and access to public services through ICT-based interventions across the service delivery value chain. The proposed roadmap starts by making quality information about public services readily accessible; enabling payments through electronic, mobile, and branchless platforms; allowing online applications; and eventually introducing back-end automation using a connected government framework.

Increasing access to information about day-to-day public services will be the Program’s 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 providing procedural information on commonly availed services: documentations requirements; taxes, fees, and rates; grievance redressal mechanisms; process steps and turnaround times, office location and working hours. Front-end e-services will be supported by integrated, innovative back-end processes and systems to ensure seamless delivery.

iii. PITB projects: http://www.pitb.gov.pk/projects_sector
To facilitate data sharing for automated processes and protocols resulting in a comprehensive portfolio of e-services for citizens, PITB intends to use a sophisticated shared infrastructure to connect various government functions. Although these e-services, especially voice-based helplines, will be designed to enable self-service, the Program also envisions a competitive distribution network of facilitation centers, given the literacy barriers in many rural parts of Punjab. These centers, ideally managed through PPPs, will give large segments of the rural population convenient access to services.

**Technical Assessment**

The ability of information technology (IT) tools to redefine service delivery in terms of ease, openness, facilitation, and self-service is indeed difficult to dispute. Despite their promise and some notable successes, however, e-governance efforts in Pakistan cannot be considered successful (UNDESA, 2012). While several factors have contributed to this failure, a very important impediment has been the unhealthy fixation on back-end systems, architecture, platforms, and exchanges. Such initiatives are typically CapEx-intensive, technically intricate, longer-term projects that compel considerable resistance. Meanwhile, the absence of immediate, tangible results erodes the much-needed political support to overcome such resistance.

**Technical and Implementation Risks**

Service providers can present fierce opposition. An effort to automate the examination system of the province’s intermediate and secondary education boards led to widespread student protests and arson because the system had been actively sabotaged by vested interests that stood to lose millions (Malik 2011). This resistance was, however, successfully countered. In addition to resistance from vested interests, literacy levels, access to the web and mobile web, and the relative penetration of computers and smartphones in rural areas limit the access and coverage of e-services. The limited capacity of departments to develop and sustain IT efforts and the absence of legislation and regulatory support to mandate electronic transformation in services and carry out electronic transactions also constrain such initiatives.

**Risk Management**

Keeping in view the potential opposition from vested interests and capacity issues, the Program’s interventions have been structured to start from the simplest, least-resistance, and most citizen-centric point to eventually cover the entire value chain. International experience of

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9 More detail on the anticipated social risks can be found in the Program’s Environmental and Social Systems Assessment document.
e-government implementation defines a four-stage adoption model to achieve maximum impact (Seifert 2003):

- Presence: the simplest step to providing easy access to information channels

- Interaction: offering citizens limited interaction such as the facility to make prior appointments and online applications, generate transaction identities, and submit documents.

- Transaction: enabling access to self-service channels to carry out activities and tasks electronically

- Transformation: the most evolved form, resulting in changes that improve how the government operates, collaborates, and coordinates within functions and with citizens.

To meet procedural information needs with regard to citizen services such as registration processes, and applications for licenses, certificates, grants, and permits, PPMRP will initially focus on creating a multi-channel ‘information hub’ to serve as a one-stop-shop through various ICT enablers. To disseminate information, protocols for the provision of public services will be standardized, simplified, and structured giving citizens easy access to a wide range of information through a consolidated web portal. The portal will be enriched by a user-friendly interface and multi-language support, along with media such as video tutorials and voiceovers in addition to text-based information supplements—this will help overcome literacy and access barriers. Helplines will be established to provide citizens with information on public services, facilitated by trained agents able to resolve any queries. To extend web- and call-based information, SMS integration will enable citizens to either retrieve information on request or access it easily offline where applicable.

PITB has successfully deployed help and complaint lines and SMS-based mechanisms for various key services such as health, blood banks, water and sanitation, secondary education, court cases, and citizen feedback and complaints through a business process outsourced contact center setup. Based on experience, technology deployment, departmental buy-in, and adoption by citizens, the idea of implementing an information hub is highly feasible. Several pilots have now been successfully scaled up across the province and provide a strong precedent for including more services through the use of ICT.

The relatively easy political economy for information services, which the Program will manage centrally, makes it a very convenient and effective starting point. Given the vast number of

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10 See website link for details on the citizen contact center: http://www.pitb.gov.pk/citizenContact
services that can be covered easily by flexible business models, their impact on citizens will also be far more significant.

The second phase will consist of process re-engineering: identifying, analyzing, and redesigning critical processes to help citizens access public services with fewer requirements, shorter timelines, and lower direct and indirect costs. Such front-end applications (including online applications, filing, and submission; and electronic, mobile, or branchless payments) are also likely to meet little resistance because the actual process will reduce citizen contact and official discretion without immediately facing the challenge of full automation.

The third and final phase will consist of automation: a mix of front- and back-end automation to reduce turn-around-time, eliminate redundancies, and improve the efficiency of public offices by enabling technology-based solutions for better management. This will eventually lead to an integrated electronic engagement framework for citizens. Back-end automation and system linkages will allow applications and payments to be processed through a single platform, resulting in the use of a shared infrastructure and MIS for government functions.

As an interactive extension of the web presence for information, the Program proposes setting up a comprehensive portal that will link citizens and government functions to help transform legacy processes. This portal will host numerous links not only to help citizens gain access to information but also to serve as a single-sign-on citizens’ portal. Online applications, document submission, application and discrepancies tracking, appointments and delivery schedules, and complaints and feedback will all be managed through this portal.

Various government functions and organizations will also be linked through this portal to manage citizen-government interaction and back-end processing for various services. This will help automate, re-engineer and improve efficiency and transparency in handling day-to-day affairs. The system will enable users to track requests, applications, turn-around-time, complaints, and records in real time, and allow highly accurate, timely, and meaningful data on the performance management of various entities to be reported to their managers.

Once multiple government functions and entities are amenable, the system will also enable back-end links to utilize the shared infrastructure and information within the government across different administrative units. This will not only help create synergies but also enable cross-links and create data-based citizen profiles that enhance engagement when extending information, soliciting feedback and suggestions, propagating new ideas, and making public records available.

Although the natural uptake for this portal will be urban centers, it is very important that the semi-urban and rural population also benefit from these facilities. A distribution mechanism is, therefore, critical to the eventual success of this intervention. Facilitation centers at the local
level, established through PPPs in a competitive environment, will be best suited to providing such access and guidance for a nominal fee. This will not only augment the livelihoods of local entrepreneurs but also establish the effective and widespread use of ICT initiatives by the government. These facilitation centers can serve as one-stop-shops for various services provided by the government at the local level through the use of ICT-based interfaces.\footnote{More detail on the positive impact of facilitation centers on marginalized groups can be found in the Program’s Environmental and Social Systems Assessment document.}

One key area that needs attention in terms of ICT enablers is that of electronic, mobile, and branchless payments—currently unchartered territory. Many stakeholders have shown considerable interest in bringing about this fundamental change in facilitating payments to the government but no pilots have yet been carried out. This particular domain will need legislative support at the provincial level and technology systems from potential third-party networks to help the government monitor and track public sector funds in real time, avoiding any opportunity costs for delays in reconciling funds. An in-depth regulatory analysis and review along with extensive stakeholder consultations will be conducted before implementation.

The citizen-centric approach of starting e-services from the provision of information and other front-end facilities such as remote applications and payment alternatives, and eventually progressing to back-end automation, will help mainstream e-services gradually and elicit greater support. Additionally, given the immediate impact on citizens, higher demand for such interventions over time will make a natural case for transforming back-end systems to support service delivery improvements across all layers. Once government-to-citizen layers are in wide use and the precedent of immediate political dividends through such initiatives is well established, aligning back-end automations will be easier. Detailed planning to cover the breadth and depth of services across various departments, institutional alignment to provide technological support and knowledge, the use of cost-effective platforms to leverage scale, the employment of innovative business models through PPPs, and the alignment of resources and incentives to counter resistance across implementation layers will further this agenda as planned.

Setting up multiple access channels to provide information will undoubtedly incur costs. Making the intervention financially viable in the long run will require innovative business models, negotiated tariffs based on collective scale, and passing on costs against value. Establishing partnerships with the private sector can also help reduce costs and create synergies. Similarly, value delivered through information services is key to engaging citizens in accessing and effectively using e-services; their content needs to be valuable, timely, efficiently distributed, and often customized. To provide citizens with the best possible services, citizen databases across all domains need to be consolidated for accurate profiling and easier access to
information. Moreover, hosting data and financial transactions online will necessitate adequate information security measures and controls.

An effective promotion campaign tailored to geographic and communal contexts will be required to encourage citizens to use e-services, and to create public awareness of facilitation avenues. The use of PPPs, wherever possible, will enable a wider reach with more efficient business models and innovation. Establishing a competitive network of facilitation centers through PPPs will also be essential to achieving the desired level of public outreach.

The need to support legislation is also important to ensure continuity and the sustainability of service delivery reforms through e-services. Such legislation should mandate adherence to an e-service roadmap for all the government functions concerned and provide for a governance structure that supports the promotion and monitoring of such interventions. Legislative support for components such as electronic signatures, electronic archiving, FOI, data protection, cybercrime prevention, intellectual property rights, copyright issues, contract signing, and digital agreements will be essential in promoting e-services.

Although Pakistan still operates on 2G networks, these provide adequate technology platforms to support e-services through the use of mobile and fixed telecom and data networks. ICT expertise in the country in general and within the lead implementation agency, PITB, is strong enough to ensure that an e-services regime is well executed.

PITB has a fairly elaborate functional structure in place to handle the management of e-services including various ICT interfaces and applications developed in-house or outsourced. However, to better manage the implementation and roll-out plans to and sustain continuous improvements in service delivery, its institutional structure will need to be reviewed to align its functions, funds, and functionaries with the demands of the proposed transformation.

The entire e-services roadmap requires significant infrastructure and human resource capacity building at various functional and management levels across the targeted government departments. A structured and coordinated training program will need to be implemented for all the departments involved to revamp their delivery mechanisms and adopt ICT-based interventions. Although PITB has adequate in-house and outsourced capacity to deploy solutions and manage services, the process of planning e-services will be smoother if departmental managers make informed decisions and provide contextual inputs to ensure that PITB adheres to the roadmap. The government should evaluate the placement of such IT professionals in the decision-making layer in key departments who not only effectively coordinate with central agencies such as PITB but also add significant value to the transformation. PPMRP will help establish an efficient collaborative working model with the appropriate institutional structure to enable information and ideas to be exchanged and services and associated interventions implemented in the stipulated timeframes.
As the counterpart agency for the Program, PRMP’s general capacity needs to be built up for it to better understand the value chain of ICT interventions for service delivery. This will enable it to engage closely with PITB and targeted departments or functions, and perhaps help bridge any gaps in understanding or managing e-service delivery.

**Program Action Plan and Capacity Building Plan**

i. Carrying out an institutional review of PITB’s capacity to implement e-services, review its board recommendations, and approve implementation measures

ii. Collecting and reviewing standardized protocols for and information on citizen services for dissemination

iii. Conducting training and dissemination based on the implementation roadmap

iv. Evaluating the feasibility of establishing a facilitation center network

v. Preparing a feasibility report on e-services and right-to-services laws, based on the South Asian experience, for dissemination with the government

vi. Reviewing systems, processes, and rules to implement mobile-based payments

**Result Area 2: Performance Monitoring**

**Strategic Relevance**

Poor governance of service delivery in Punjab, as in many other parts of the developing world, is manifested in many ways. Service providers often remain absent or fail to complete their assigned tasks. Resources, scant to begin with, are often misallocated and misused. Evidence-based monitoring and evaluation and performance management systems either do not exist or are of poor quality or not used effectively to make decisions. Incentives for middle managers and service providers are often not aligned with those of the average citizen. Top managers have little understanding of the geographical coverage of service provision. Quality checks are mostly absent, and beneficiaries’ feedback is rarely taken into account.

Punjab has tried to address some of these challenges by developing a new policy on results-based management. The policy (currently pending before the provincial cabinet) lays out a set of principles that aim to “ensure that the government receives integrated financial and nonfinancial performance information on the business allocated to departments and districts in order to improve allocation and reallocation decisions, and to enable the Government to observe performance towards planned policy outcomes results in order to take timely corrective actions.” However, like numerous similar policies introduced across the world, it assumes that the
government has the capacity and is willing to collect, analyze, report, and use performance data to improve the way in which service delivery decisions are made.

For service delivery to improve, there must be reliable data to measure and manage programs and performance. Without these measurement systems, a results-based management policy is simply a plan that cannot be implemented. Data quality, granularity, timeliness, cost, periodicity, collection systems, and analysis remain intractable challenges for a range of reasons: weak internal monitoring systems; data fudging; failure of IT systems; the costs involved; the absence of spatial data; capacity challenges; lack of beneficiaries’ feedback; and weak incentives for implementation, analysis, and use.

Most important, a monitoring and evaluation system should involve inspection visits by supervisory officers to audit the services performed, verify the quality of the data, and collect information for planning and management use. Unfortunately, the chain of command, especially among immediate supervisors, has been seriously weakened by collusion and inefficiency. Visits either do not take place or are fudged. Since 2002, the School Education Department has responded to the decline in quality of internal data collection and inspection mechanisms by developing and maintaining 800-plus MEAs as in-house third-parties responsible for inspecting and collecting data from the province’s schools. This permanent use of a third-party mechanism, although welcome for many reasons, has also shifted attention and resources away from the real challenge posed by a weak departmental monitoring and data collection function.

The routine data collected at the district level by service providers is mostly irregular and unreliable. Whatever data is collected is rarely digitized and analyzed. The livestock and agriculture departments lack a functional information system. No notable system for collecting, organizing, and analyzing data from roving field workers has been tried. The quality of the data collected by the MEAs, though widely considered to be a best practice, is also being questioned: there are reports that some have filled in data forms without actually visiting the schools they are supposed to be monitoring.

The use of paper-based forms makes computer re-entry tedious, expensive, and error-prone. Several efforts over the past decade to collect large-scale data from the field—for example from basic health units—to improve management have failed to achieve results because of electricity shortages and issues of maintenance, connectivity, and dedicated human resources in remote locations. One notable exception is the Irrigation Department, which has implemented a high-quality, inexpensive SMS-based information system that collects and reports live data on water flows in the canal system.

Even where some information systems exist, analysis for performance management is a major challenge because of the low periodicity of quality data collected by most departments. Large-scale high-quality surveys assessing service delivery levels do take place (for example, the
PSLMS and Multiple Index Cluster Survey), but their low periodicity and absence of representativeness at the district level makes it difficult for departments to link results with the performance of any particular official, since officials are frequently transferred to other posts. Even where better-quality, high-periodicity, facility-level data is collected, as in the case of the education sector, analyzing and using the information remains a challenge. The Punjab Education Roadmap has recently reinvigorated the use of MEA-collected data, which had flagged after initially vigorous use. Spatial data, while increasingly used by a few proactive agencies, is not the norm.

The development and use of dedicated data collection applications on low-cost, entry-level, GPS-enabled smartphones (for example, running the open-source Android platform) provide a radically effective mechanism that addresses many of these problems. Such mobile mechanisms merge the process of data collection and entry, thereby reducing the costs of the latter while increasing accuracy and efficiency. Moreover, data can be collected and submitted to an online server or dashboard in many different forms (images, text, or videos) even without an Internet connection or mobile coverage at the time of data collection. The dashboard then processes and presents the data in real time as actionable charts, maps, and reports, thus providing management with high-quality timely information.

Since August 2011, the Punjab government has successfully used GPS-enabled Android smartphones in a range of projects. PITB’s dengue surveillance system uses Android phones to track dengue clusters in real time to enable targeted and timely responses by the government. GPS-enabled smartphones are also being used to improve the Lahore Water and Urban Unit—the Planning and Development Board’s GIS arm, which has also employed Android phones to collect spatial data on a large scale for several projects. The Punjab Health Sector Reforms Program (PHSRP) has, in collaboration with the International Growth Centre and the Bank, also implemented the “Monitoring the Monitors” program in an attempt to address the weaknesses of the traditional paper-based monitoring system and to ensure that field supervisors carry out field inspections.

For crucial quality checks, officials in Punjab have been contacting citizens through SMS and telephone to obtain feedback on day-to-day government services. This citizen feedback model (see annex 1), implemented by PITB in conjunction with the Office of the Chief Minister of Punjab (the chief minister’s secretariat) aims to deter petty corruption, improve service delivery, and engage with citizens. The model requires limited upfront capital outlay and simple cellular connectivity for the critical technological aspects of the Program to function. Since April 2010, more than one-and-a-half-million transactions in property registration, health, policy, and other departments across the province have been entered into the system. Some 0.375 million citizens have provided feedback through SMS and more than 40,000 via telephone. Negative
feedback, collected by the chief minister’s secretariat, has been channeled back to the district officers for redressal and administrative action.

The proposed intervention under this result area will support PITB in developing, implementing, and institutionalizing smartphone-enabled evidence-based performance management systems in five key service delivery departments: (a) Livestock and Dairy Development, (b) School Education, (c) Health, (d) Agriculture, and (e) Irrigation. All these departments have expressed their commitment to implementing these interventions.

**Technical Assessment**

The provision of more and better information—high-quality, high-periodicity, timely, and granular spatial data, photographs, and video and audio data from the field, beneficiaries’ feedback, and improved analysis and synthesis of information—will empower senior politicians and managers. They will be able to use private (communication of individual poor performance or penalties and rewards) and public signals (rankings) to better manage service providers. Consequently, the quality and productivity of government services will be enhanced.

Banerjee and Duflo (2006) have evaluated the impact on teacher absenteeism of using date- and time-stamped photographs, combined with incentives, to monitor attendance through a randomized control trial experiment. They find that absence rates went down by half and learning outcomes improved in the treatment schools. Several other studies show that reducing teacher absenteeism—an essential input—leads to improved learning as an outcome. In an extensive review of the literature on teacher absenteeism, Bruns, Filmer and Patrinos (2011) conclude that improving formal supervision is one promising way to decrease absenteeism. Mobile phone-based data collection systems have been successfully employed in a range of projects including health, agriculture, and market analysis (Institutional Reform Group 2012a).

The ongoing “smart monitoring” projects in Punjab demonstrate the substantial potential benefits of deploying smartphones to improve management. The electronic transmission of live data from the field, instead of relying on paper, allows real-time analysis at the back-end with dedicated reports prepared for managers. PHSRP enables district health supervisors to collect and transfer field data to a live management dashboard that tracks various indicators, including staff absenteeism, the number of supervision visits, the number of patients, and medicine stock-outs. Field officers are also required to send GPS-tagged self-portraits at the health facility they are visiting to minimize the chances of false reporting and to ensure actual visits. An evaluation of the PHSRP intervention by Callen, Gulzar, Hasanain, and Khan (2013)

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12 The use of smartphones to collect field data (including photographs and spatial data), live display on dashboards, and the creation and circulation of performance reports.
demonstrates, in a randomized control trial, that the number of required supervisory visits by health inspectors increased substantially in the treatment districts. Several other departments have also started pilots to leverage technology for improved monitoring.

In Lahore, the Water and Sanitation Agency’s monitoring system captures real-time images of agency officials on-site visits to resolve sewerage and related sanitation complaints. PITB dengue monitoring systems asks field teams to take pre- and post-activity photographs 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 work resolved. Dengue monitoring spatial analysis is able to detect (and even predict) areas of high dengue incidence, making it possible to direct larviciding teams to those sites to carry out effective prevention measures before the larvae spread. Spatial analysis also reveals underserved or un-served areas and neighborhoods that need extra attention or resources. Punjab’s chief minister relied extensively on PITB’s dengue management system to fight the epidemic successfully in 2012 and 2013.

**Technical and Implementation Risks**

Invariably, the intervention faces a number of risks. Service providers may resist the adoption of this “monitoring” technology and data may be scammed. Female workers may oppose the use of photographs on cultural grounds. The local political economy may hinder adoption, use, and compliance. Departments may not have the management capacity to absorb and analyze so much information. Most important, the information may not be used in performance management.

The pilots in Punjab also highlight such political economy and capacity challenges. In the health “Monitoring of Monitors” program, supervisors’ rates of compliance with task plans were lowest in areas with the least competitive elections, highlighting the drag of patronage politics. The initial extreme spike in compliance could also not be sustained. One experiment with the Directorate of Staff Development (the organization tasked with teacher training) sputtered out because the agency could not agree on what data to collect.

**Risk Management**

Technical risks, such as the possibility of data tampering, can be managed with better encryption; mobile phones being used in remote locations can be charged with solar or dynamo chargers. The capital and running costs of the system, using mostly open-source technologies such as Google Earth, are low. Training staff is relatively easy. Cultural constraints, such as female workers’ reluctance to be photographed onsite, can be overcome by asking their permission to do so. Female workers who do not consent can be exempted.
A workable ICT-based data collection and analysis system is, however, only part of the service delivery puzzle. A bigger challenge is aligning the incentives of middle managers for use in decision-making and those of service providers for smooth adoption. PPMR Program will support the Punjab government with several interventions to manage the incentives of service providers and managers. Senior politicians and managers are important supporters of the exercise since their political and career incentives are particularly linked to performance. Middle managers may be reluctant to take on the extra burden of work but are likely to benefit from increased information because it improves their supervision.

Certain sections of service providers—those asked to carry phones for data entry and to undergo more rigorous monitoring—are more likely to resist. Pilots carried out in selected services in some districts will help identify champions, demonstrate the intervention’s benefits, and improve the quality of implementation. PRMP will use this information regularly to help the senior political and civil service tier make performance management decisions. The dashboard will circulate performance reports by email, post, and fax to all stakeholders, including the lowest tiers of service delivery; all tiers will be required to upload comments on their relative performance levels and report what actions they have taken to improve these.

Mandated annual reviews by the Program’s steering committee will help align institutional arrangements, resource allocation, and personnel incentives with enhanced field-level service delivery. The Program will engage with citizens by disclosing service delivery performance reports through the web, allowing greater transparency and accountability of public officials. The easy availability of information can also provide avenues for crowd sourcing and citizen monitoring of the government’s day-to-day service delivery activities.

Discussions with service providers indicate that many value such transparency because it enables, as several field workers have pointed out, “differentiation between good and bad workers.” Officials often welcome the idea of acquiring a modern phone that has social utility outside their work, which makes the intervention easier to adopt and maintain. Given high-quality information, both positive and negative incentives can be disbursed to greater effect. Incentives for service providers—mobile phone credit for private use, for example—can be easily linked to performance. Similarly, petrol for field officials can be disbursed with more accuracy. Dual-SIM smartphones might also prove useful because staff can continue to use these phones even after office hours for private purposes.

Major ancillary benefits will also help institutionalize this intervention. Sound data collection systems will help implement PPPs more smoothly. Collecting beneficiaries’ names, identity card numbers, and mobile phone numbers (farmers, for example) will enable the development of a universal database of beneficiaries. This, in turn, will facilitate extension and information activities, and support the delivery of information services. The proactive collection
of feedback from beneficiaries (patients or farmers) on behalf of senior politicians will also yield political dividends to help sustain the effort.

The selected departments’ capacity to implement and sustain such systems needs to be strengthened. Given its vast experience and expertise in using mobile-based data collection systems, PITB will work closely with these departments and help them implement the proposed interventions by developing a single shared data infrastructure to facilitate the collection, analysis, reporting, and dissemination of information to the relevant officials through automated feedback loops and alerts. Training plans will be developed and implemented, with helpdesk support to facilitate the process.

**Program Action Plan/Capacity Building Plan**

i. Developing specifications for dashboards, performance reports, task compliance indicators, proactive feedback collection, and internal dissemination systems for each service targeted under smart management

ii. Developing and deploying shared smart management platforms

iii. Planning training and dissemination based on implementation roadmaps

iv. Rolling out impact evaluations/evaluations for smart management interventions in various services

**Result Area 3: Resource Management**

**Result Area 3.1: Reforming Provincial Taxes**

**Strategic Rationale**

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 the country is extremely low—the provincial government raises only 0.4 percent of gross domestic product (GDP) in tax revenues. The imbalance in revenue generation is evident in the provincial expenditure figures which are almost 16 times higher than the revenue each province generates. The rate of UIPT collection in Punjab, for example, is one of the lowest in the world, averaging just under 0.026 percent of GDP. Although an important source of revenue in Punjab, UIPT produces a very modest level of revenues even by developing country standards (see table 2).

The Punjab government levies a number of taxes as shown in table 2 below.

<table>
<thead>
<tr>
<th>Tax source</th>
<th>2010/11 Actual (PRs (million))</th>
<th>2011/12 Estimated (PRs (million))</th>
<th>2011/12 Actual (PRs (million))</th>
<th>2012/13 Estimated (PRs (million))</th>
</tr>
</thead>
<tbody>
<tr>
<td>------------------</td>
<td>---------------</td>
<td>---------------</td>
<td>---------------</td>
<td>---------------</td>
</tr>
<tr>
<td>Sales tax</td>
<td>33,987.610</td>
<td>39,909.400</td>
<td>26,813.240</td>
<td>40,496.470</td>
</tr>
<tr>
<td>Stamp duty</td>
<td>9,171.850</td>
<td>10,107.990</td>
<td>11,007.040</td>
<td>12,168.160</td>
</tr>
<tr>
<td>Land revenue</td>
<td>8,282.720</td>
<td>9,968.040</td>
<td>9,259.410</td>
<td>10,621.000</td>
</tr>
<tr>
<td>Motor vehicle tax</td>
<td>5,861.780</td>
<td>8,182.370</td>
<td>6,351.290</td>
<td>8,510.770</td>
</tr>
<tr>
<td>UIPT</td>
<td>3,220.410</td>
<td>5,580.000</td>
<td>4,162.390</td>
<td>6,005.000</td>
</tr>
<tr>
<td>Electricity duty</td>
<td>361.660</td>
<td>4,752.050</td>
<td>3,436.000</td>
<td>4,633.100</td>
</tr>
<tr>
<td>CV tax</td>
<td>289.8820</td>
<td>3,000.000</td>
<td>3,098.270</td>
<td>3,224.330</td>
</tr>
<tr>
<td>Transfer tax</td>
<td>2,680.950</td>
<td>2,975.330</td>
<td>3,516.560</td>
<td>3,854.580</td>
</tr>
<tr>
<td>Excise tax</td>
<td>1,219.070</td>
<td>1,440.000</td>
<td>1,307.110</td>
<td>2,058.870</td>
</tr>
<tr>
<td>Agricultural tax</td>
<td>717.212</td>
<td>927.189</td>
<td>762.440</td>
<td>720.520</td>
</tr>
<tr>
<td>Other</td>
<td>737.345</td>
<td>872.600</td>
<td>930.760</td>
<td>1,364.180</td>
</tr>
<tr>
<td>Professional tax</td>
<td>397.213</td>
<td>510.000</td>
<td>449.360</td>
<td>886.500</td>
</tr>
<tr>
<td>Transport</td>
<td>448.733</td>
<td>276.559</td>
<td>336.590</td>
<td>460.000</td>
</tr>
<tr>
<td>Opium</td>
<td>1.455</td>
<td>15.773</td>
<td>6.560</td>
<td>10.810</td>
</tr>
<tr>
<td>Total</td>
<td>67,377.880</td>
<td>88,517.300</td>
<td>71,437.020</td>
<td>95,014.290</td>
</tr>
</tbody>
</table>

Source: Government of the Punjab, Department of Finance.

The E&TD (UIPT, motor vehicle tax, professional tax) and the Board of Revenue (agricultural income tax, land revenue) are responsible for tax collection in the province. While nominal UIPT collection has increased substantially, the real value has declined despite substantial rises in urban property values, increasing large-scale construction activity, and urban expansion (see figure 2). A number of reports have highlighted the shortcomings of these departments particularly in relation to the lack of computerization, inefficient manual systems, lack of training, dispersed management control, and rent-seeking behavior.

**Figure 2: Yearly trend of Real v Nominal Collection in the Province**

![Real v Nominal Collection](source)

Source: Government of Punjab, Finance Department.

With a view to reforming tax collection, the Punjab government created the Punjab Revenue Authority (PRA) in 2012. The PRA model has been designed on the lines of the internationally recognized doctrine of semi-autonomous revenue administration. The department
has initially focused on collecting general sales tax, with plans of expanding to UIPT collection and other tax bases in the coming years. Despite the PRA’s introduction into the tax collection system, however, the E&TD still plays a key tax collection role.

Of the provincial taxes, UIPT is one of the main sources of revenue with considerable potential for expansion. The general consensus is that the current collection arrangements are inefficient. The reasons for low collection rates include lack of policy development, inefficient administrative systems, the low effectiveness of tax administration, weak enforcement, lack of IT systems, inadequate resources and staff with little or no appropriate training, poor levels of compliance and high levels of tax evasion, the absence of a citizen service culture and communication strategy, and the absence of a management culture.

According to the E&TD, around 3 million properties fall within the current tax base, of which about 1.5 million are taxable. This means that approximately 56 percent of these properties are subject to exemptions under the current UIPT legislation. A Bank estimate for 2008 indicates that if an international average for developing countries were used to set the revenue target, this would imply an increase of 111 percent over the level of taxes at that time (see table 3)

**Table 3: Property Taxes as a Percentage of GDP**

<table>
<thead>
<tr>
<th>Developing countries (Europe)</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bosnia and Herzegovina*/ (2007)</td>
<td>Below 1.00%</td>
</tr>
<tr>
<td>Bulgaria (2007, all types)</td>
<td>0.34%</td>
</tr>
<tr>
<td>Moldova (2008)</td>
<td>0.40%</td>
</tr>
<tr>
<td>Republic of Macedonia (2007)</td>
<td>0.50%</td>
</tr>
<tr>
<td>Romania (2005)</td>
<td>0.60%</td>
</tr>
<tr>
<td>Serbia</td>
<td>0.30%</td>
</tr>
<tr>
<td>Kosovo</td>
<td>0.44%</td>
</tr>
<tr>
<td>Hungary</td>
<td>0.30%</td>
</tr>
<tr>
<td>Poland</td>
<td>1.10%</td>
</tr>
<tr>
<td>Croatia</td>
<td>0.20%</td>
</tr>
<tr>
<td>OECD average, 2004 (23 European countries)</td>
<td>0.71%</td>
</tr>
<tr>
<td>International average for developing countries</td>
<td>0.50%</td>
</tr>
</tbody>
</table>

**Miscellaneous other countries**

<table>
<thead>
<tr>
<th>Country</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chile</td>
<td>0.70%</td>
</tr>
<tr>
<td>Ethiopia</td>
<td>0.50%</td>
</tr>
<tr>
<td>Argentina</td>
<td>0.90%</td>
</tr>
<tr>
<td>Mexico</td>
<td>0.30%</td>
</tr>
<tr>
<td>South Africa</td>
<td>0.70%</td>
</tr>
</tbody>
</table>

**ASEAN countries**

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13 Information provided by the E&TD.
<table>
<thead>
<tr>
<th>Country</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Indonesia</td>
<td>0.10%</td>
</tr>
<tr>
<td>Sri Lanka</td>
<td>0.70%</td>
</tr>
<tr>
<td>Thailand</td>
<td>0.30%</td>
</tr>
<tr>
<td>Pakistan</td>
<td>0.03%</td>
</tr>
</tbody>
</table>

Source: World Bank 2010 (for data on developing countries); World Bank 2008 (for data on miscellaneous other countries).

The Program proposes supporting the E&TD to improve the administration of UIPT. Specific interventions include developing a digital database of property records to improve tax calculations; implementing revised ICT-based business processes to improve tax collection, especially billing, compliance, and performance management; and making it easier for citizens to interact with the tax system.

**Technical Assessment**

All previous studies have identified the strong need to computerize 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 will yield key benefits, such as efficient and effective billing, collection, and enforcement procedures; the release of savings by increasing staff productivity and efficiency; access to online transactional services that facilitate citizens, taxpayers, and businesses; and channels through which to collaborate and share information with citizens, taxpayers, businesses, and other government departments. Presently, the micro-level details of a particular property are hard to ascertain even within the department, as it is extremely difficult for a senior manager to review and question the data entered by the inspector concerned. Computerizing the property data registry will help resolve the problems inherited through paper-based processes. Attempts to computerize records have, however, remained unsuccessful due to the department’s lack of expertise and motivation to move away from manual systems and the absence of dedicated project management.

In late 2011, the government decided to undertake a pilot project to computerize the UIPT records in the city of Sialkot (approximately 55,000 records). The project aimed to digitize the key property tax registers and produce automated rate bills, increase access to relevant information, reduce workloads, improve tax collection and tax exemption targeting, and facilitate efficient record management. In May 2013, the software prepared by the Urban Unit was declared complete and ready for replication across the province by E&TD. Based on the above-mentioned objectives, the proposed software consists of a robust database that will host PT-1 records and related information, produce demand registers and challan forms (PT-8 and PT-10), and provide senior management with the relevant information to make informed policy decisions. The records will also be linked to an overall GIS-enabled system for Punjab to ensure synergies with other departments and records.
The first phase of scaling up the Sialkot pilot will entail completing the property registries of five large cities (Lahore, Multan, Faisalabad, Gujranwala and Rawalpindi), spanning approximately 70 percent of the province’s taxable properties. The computerization of each property registry will be preceded by a comprehensive door-to-door survey—recently authorized by the Cabinet and last carried out in 2002—to update property records. A survey with revised rental rates will induce a substantial increase from the same tax base. The digitization of property registries will also help detect 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 in Sialkot helps assess the impact of replicating this exercise on the entire province. Table 4, highlights the positive difference in the number of properties, gross demand and net demand in post-survey computerized records relative to the original PT-1 and PT-8 registers.

Table 4: Impact of Survey and Computerization in Block 23, Sialkot

<table>
<thead>
<tr>
<th>Description</th>
<th>As per PT-1 and PT-8 registers</th>
<th>After survey and computerization</th>
<th>Difference</th>
<th>Percent difference</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total number of property units</td>
<td>2180</td>
<td>2390</td>
<td>210</td>
<td>9.63</td>
</tr>
<tr>
<td>Gross tax demand (current) (PRs million)</td>
<td>4.37</td>
<td>5.53</td>
<td>1.16</td>
<td>21.00</td>
</tr>
<tr>
<td>Exempted demand (PRs. millions)</td>
<td>1.06</td>
<td>1.35</td>
<td>0.29</td>
<td>21.50</td>
</tr>
<tr>
<td>Net demand (current) (PRs millions)</td>
<td>3.31</td>
<td>4.18</td>
<td>0.87</td>
<td>20.80</td>
</tr>
</tbody>
</table>

Source: Urban Unit

An almost 10 percent increase in the total number of properties translates into an approximate 4 percent hike in taxable properties in the region. Similarly, an average 21 percent increase in gross demand and net demand translates into an approximate 15 percent increase in total collection. Replicating these figures across Punjab will have a significant impact on revenue for the department.

As the Sialkot Block 23 pilot indicates, a collection level higher than the average rate of inflation (9 percent) in the past three years can safely be expected once the computerization and survey exercise is complete. Figure 3 illustrates the anticipated increase in collection targets.

Figure 3: Impact of Computerization and Survey on Total Collection, 2013-2017
Figure 3 shows that the proposed computerization and survey exercise could raise the collection level by almost 3 percent more than the current projected target, which translates into an approximate increase of PRs 900 million in the total collection for 2018. Figure 4 illustrates similar projections for the expected increase in the number of taxable property units. The historical rate of increase in total property units per year is around 2.8 percent. The anticipated annual compound increase of almost 4.5 percent implies an addition of roughly 371,700 total property units in Punjab.

Figure 4: Projected Increase in Taxable Property Units

Another positive feature of the Sialkot project is that taxpayers have responded well to receiving computer-generated bills, which, according to the inspectors, could also have a positive
impact on collection levels. It is equally important to emphasize that, while UIPT administration needs to be modernized, other policy reforms areas are just as necessary. These include: (a) giving further consideration to the draft law on property tax that was prepared in 2008, which, if adopted, would widen the tax base to include up to 5 million properties; (b) reevaluating all properties using current market rental values; (c) undertaking a study to consider whether rental values are still an appropriate tax base compared to capital values; (d) reclassifying urban areas that were originally classified as rural; (e) ensuring that those town municipal administrations that need to be declared rating areas be required to do so; (f) reviewing the current reliefs and exemptions offered with a view to reducing them; (g) eliminating, or at least reducing, the differential between owner-occupied properties and rented properties; and (h) introducing tax rate indexation. The full potential of UIPT as a source of revenue will not be realized until these policy reforms are undertaken. While the Program focuses on administrative reforms, the Program Development Objective indicator of total collection explains why the Punjab Government has recently authorized the department to undertake a revaluation survey that is likely—if the new assessments are indeed approved and implemented—to substantially raise revenues.

Various stakeholders recognize, however, that while developing the above policy areas is necessary, political considerations make it unlikely that any action will be taken. PPMRP focuses, therefore, on improving administration. Proper management of the property tax system is as important for augmenting revenue generation as improving the system’s policy and legal framework. In addition to improving revenue generation in due course, the current set of interventions will reduce corruption; improve collection efficiency, staff performance management, and citizen interface; and facilitate improved urban planning.

**Technical and Implementation Risks**

Due to the complexities involved in eventually shifting duties from E&TD to PRA, the former’s employees are expected to be less motivated, which could result in lower tax collection till the new system has matured. The project has suffered from lack of ownership by E&TD and related delays. The current levels of corruption in the field also mean that an ICT-based system will encounter opposition. PRA’s medium- to long-term role in managing or taking over the transition process is also unclear. The challenges of the pilot project also point to technical issues: the project is now running approximately a year late and the software remains unwieldy and slow to navigate.

**Risk Management**

The London-based International Growth Center and Lahore-based Center for Economics Research and Policy are currently conducting a randomized control trial aimed at increasing UIPT collection in Punjab. The study is being carried out in conjunction with researchers from
Harvard, MIT, and the London School of Economics and Political Science and in close partnership with E&TD and PRMP. The experiment seeks to evaluate the behavior of property tax collectors in response to different wage and incentive schemes aimed at improving their performance. The conclusion of the experiment in 2014 will provide interesting insights into how tax collection figures can be improved while working with the same system and without any major policy changes. With the expectation that PRA will eventually be assigned UIPT collection, the incentive system could also help maintain the motivation of employees in the aging E&TD. The PPMR Program will use the results of this experiment to guide the department’s incentives and performance management policies.

Substantial change management communication will also be required to carry the department along with the new changes and to build the required capacity. Mindful of the political economy, the Program indicators are based on realizing administrative (as opposed to policy) reforms. The ongoing momentum of the Sialkot pilot has also encouraged the department’s officials to accept the imminent digitization.

**Program Action Plan and Capacity Building Plan**

Specific activities include:

i. Carrying out an independent review of the Sialkot UIPT digitization pilot, and discussing and approving its recommendations

ii. Carrying out training and dissemination based on the implementation roadmap

**Result Area 3.2: Improving Procurement Systems**

**Strategic Rationale**

Increasingly, countries across the world have realized that effective national procurement strategies are vital to ensuring the 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 15–20 percent of GDP\(^4\). Robust procurement systems are, therefore, critical for strengthening a country’s expenditure efficiency and, consequently, for improving social and economic outcomes.

Countries such as Pakistan—and in particular the provincial governments to whom much of the responsibility for service delivery has devolved—face growing spending needs and must meet these with limited resources. It becomes crucial, therefore, to ensure that the available

\(^{14}\) See website link: [http://www.iisd.org/procurement/](http://www.iisd.org/procurement/)
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.

Recognizing the importance of efficient procurement systems, the Punjab government established the PPRA in 2009 to streamline and improve procurement processes in the province by adopting the federal government’s legal and regulatory framework.

The PPRA’s key responsibilities under the Punjab Procurement Regulatory Authority Act 2009\textsuperscript{15} include: (a) monitoring the application of laws, rules, regulations, policies, and procedures relating to public procurement; (b) establishing performance indicators for procuring agencies, monitoring their compliance with these indicators through independent third-party evaluations, and recommending measures to improve their procurement performance; (c) assisting to and coordinating with the procuring agencies to develop and improve their institutional framework and public procurement activities; (d) preparing standard documents to be used in connection with public procurement; and (e) developing, promoting, and supporting the training and professional development policy of officials and other persons engaged in public procurement.

Currently, PPRA is understaffed with limited technical capacity, although the procuring agencies are slowly learning to apply the new rules. There is substantial internal debate about the quality and relevance of the new legislation. PPRA’s website is an example of the state of the institution\textsuperscript{16}: thousands of tenders are uploaded onto the site but they cannot be sorted by agency, class of work, location, or cost. There appears to be no active effort underway to disseminate this useful information. PPRA charges agencies over PRs 0.1 million to upload all tenders onto its site—a legal requirement—but although this raises much-needed funds for PPRA, it discourages procuring agencies from publishing their tenders.

The proposed procurement reforms aim to strengthen the existing regulatory framework and institutional arrangements. These include (a) filling the documentation gap at PPRA, which includes the notifying of standard bidding documents (SBDs) and implementing regulations, and preparing and issuing of contract management guidance; (b) developing a procurement performance management system at PPRA and selected procuring agencies; (c) developing and implementing PPRA’s training strategy; and (d) developing and implementing an e-procurement strategy in phases, targeting selected procuring agencies.

\textit{Technical Soundness}

\textsuperscript{15} See website link for details: PPRA Act 2009 \url{http://punjablaws.gov.pk/laws/497.html}

\textsuperscript{16} See website link: www.ppra.org.pk
As custodian of the procurement reforms, one of PPRA’s most important functions is to monitor the implementation of the procurement rules. Currently, such actions are taken informally where PPRA reviews published advertisements for procurement and, in case of any deviation, notifies the implementing agency. At no point is there any data available representing the actual universe of procurement outlays or information on the category-wise break up within goods, works, and services; the types of contracts (that is, National Competitive Bidding, shopping, and direct contracting); timelines for award or typical timelines for a simple or complex contract, or contract completion details. PPRA needs a system that will enable it to develop a baseline, monitoring indicators, and performance benchmarks for various implementing agencies, and to generate annual reports for the information of implementers.

The availability of timely and accurate information on procurement practices is central to ensuring the effectiveness of public procurement. Lack of information undermines accountability, making deliberate corruption possible, but it also handicaps well-intentioned public officials. These information problems are twofold. First, information on procurement efficiency does not exist, partly because the efficiency of public procurement is notoriously difficult to measure. In Punjab, there is no comparative information on procurement performance either. The second issue is the appropriate dissemination of the information that is available, and its transparency both within the government and between the government and citizens.

PPRA’s SBDs based on the Procurement Rules 2009 are not available. This requires implementing agencies to make a judgment call in using whichever bidding documents are available enabling undue discretion as well as contraventions of the Procurement Rules. There is also a gap in the understanding of post- and prequalification and the use of preregistration, which could be bridged by SBDs. PPRA needs to finalize its implementation regulations and SBDs for goods, works, and consultancy services. Separate guidance notes on contract management best practices are also needed.

The technical and dynamic nature of the procurement profession requires that public sector procurement staff be provided regular training opportunities to build their capacity. Since procurement demands are specialized and require multidimensional skills, these competencies need to be developed through adequate planning, market and cost–benefit analysis, evaluation, negotiation, and contract management complemented by specialized technical skills. Currently, the public sector lacks the required competencies, qualification, or training for procurement staff.

Under the Program, PPRA will develop a procurement competencies plan identifying the needs of various sectors. A training strategy will be developed to address its assessed needs, with various training modules created for different levels of public officials, and local institution(s) will be identified that can impart this training. Staff will need to be trained to effectively conduct the procurement function and professionalize it. This should also include training courses for
auditors to help them conduct procurement performance training. PPRA’s senior management should be introduced to international best practices so that they can apply these to their existing system and take ownership of the results.

Jurisdictions have increasingly brought IT to bear on procurement. It is not realistic to expect that the great volume of public procurement transactions, accounting for perhaps 20 percent of most national economies, can be managed efficiently and effectively within a paper-based framework. E-procurement developments have greatly matured over the past decade and now follow reasonably standard specifications. Typically, an e-procurement strategy will envisage a web-based system encompassing the total procurement lifecycle and recording all procurement activities. The purpose of this system should be to maintain an efficient, complete, and up-to-date public procurement information and management infrastructure for all public sector agencies.

E-procurement promotes a unitary system across all government entities and between different levels of government, rather than agency by agency. This makes better use of the technology and, in particular, minimizes the risk of duplicating security management, catalogue management, and supplier registries; and addressing interoperability issues. It also ensures a single sign-on facility for suppliers and, therefore, greater supplier efficiency, which enhances the prospects of alternative procurement methodologies such as framework agreements. One of the many benefits of e-procurement is that it drives the standardization of many formalities in public procurement, such as SBDs, procurement planning and reporting templates, standard regular reports, and common registration procedures. These often vary significantly between and sometimes even within departments, adding substantial costs to the business sector and reducing transparency. This standardization improves access and efficiency for suppliers, as well as transparency for all stakeholders.

**Technical and Implementation Risks**

PPRA will be the lead implementing agency for the procurement reforms component. However, it lacks the resources and capacity needed to implement the proposed reforms. Its budget currently covers only running expenses and there are no resources allocated for any of the above activities. Ensuring the full public dissemination of relevant procurement documents may meet with resistance, while rolling out a procurement information system across Punjab will be subject to capacity constraints. A complete e-procurement system is a far more complex exercise and requires, in addition to substantial technical capacity, departmental ownership and several as-yet-missing federal laws.

The Program will augment PPRA’s resources (the Punjab government has already done so this year). PITB has adequate capacity to develop and sustain a procurement performance MIS. As opposed to e-procurement, the 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.

As mentioned earlier, a group of London-based researchers are undertaking a randomized control study in collaboration with the Punjab government, PPRA, PRMP, and several participating departments to estimate the impact of various interventions (including that of a procurement MIS) on creating more value for money. Their work, training conducted, and policy dialogue will support the objectives of this result area. The public disclosure of tender documents is already underway though it is not clear whether the entire universe of required tenders is to be uploaded. The PPMR Program will monitor the implementation of this important transparency intervention. PITB has the capacity to manage the construction and management of a phased e-procurement system. The Program will also focus only on those modules that do not depend on federal legislation to be implemented.

**Program Action Plan and Capacity Building Plan**

i. The key step will be to develop and implement a capacity building plan for PPRA and its key procuring agencies

**PROGRAM IMPLEMENTATION ARRANGEMENTS**

As discussed above, four agencies—PRMP, PITB, PPRA, and E&TD—will be the key counterparts for the four result areas. In addition to directly implementing e-services, PITB will support all other interventions as the vehicle for ICT use in the province. These agencies will work with the line departments to implement these specific reforms as per the mandate, timelines, and sequencing assigned.

DFID’s SNG Program and PPMRP will share implementation structures. The latter will focus on cross-cutting interventions (performance management, e-services, transparency promotion, revenue raising) at the provincial level, complementing the SNG Program’s district-level focus.

The SNG Program aims to contribute towards a more stable democracy in Pakistan by helping to ensure that government services better meet the needs of the poor in Punjab. It has three program-level outputs: (a) decisions by subnational governments based on robust evidence, (b) subnational government services that are more responsive to people’s needs, and (c) strengthened subnational government capacity to deliver basic services. Figure 5 illustrates PPMRP’s institutional arrangements.

*Figure 5: Institutional Architecture for PPMRP*
Established as the Project Management Unit in 2003 under the ADB-funded Punjab Resource Management Program, PRMP currently has 32 employees, including a program director, two deputy program directors, and two assistant program directors. PRMP—its name having stuck since its first role—has aimed to “assist the government of Punjab through reforms in governance structures, systems and processes to (i) strengthen its provincial finances, (ii) realign provincial institutions for pro-poor service delivery, and (iii) create opportunities for growth and income generation in the private sector.” (Tadao and Liepach 2003) Since then, it has managed the Punjab Government Efficiency Improvement Program and its extension.

A high-level steering committee headed by the chairperson for planning and development will be constituted to oversee the governance reforms program. The committee will (a) provide overall strategic guidance for PPMR/SNG planning and implementation; (b) review the service delivery performance of various districts and departments, including the status of measures being taken to addresses weaknesses and improve systems; (c) endorse the scale-up of successful pilot projects and innovations; (d) discuss the project’s “issues paper” during the inception period and agree on a work plan; (e) ensure that the agreed performance targets of the governance programs are fixed and met; and (f) address any other matter that PRMP might want to raise.

In sum, adequate arrangements have been put in place for Program implementation. The roles of the different agencies involved in implementing the Program have been clearly defined and proper accountability mechanisms established. Moreover, in order to support country systems and institutional strengthening, the Program will use existing government structures and share implementation arrangements with other donors. Several central government agencies responsible for the core reforms supported by the Program have been selected as implementing agencies in light green represent implementing agencies. EDO=executive district officer.
agencies for their respective components. Thus, PRMP, PITB, PPRA, and E&TD will be the key counterpart agencies for the four result areas. They will work with the line departments concerned with the implementation of the specific reforms as per the mandate, timelines, and sequencing assigned. PRMP will also assist in coordination and reporting and will serve as a secretariat to the steering committee. PRMP has already been notified as the focal entity for the SNG and Awaaz program.

RATIONALE FOR OVERALL PROGRAM DESIGN

The Program’s design is influenced strongly by experience with past governance programs in the province and the principle of the public sector results chain (the World Bank 2012c) (see figure 6 below). Increasing fiscal space and improving financial management are critical for more and better use of funds for service delivery, upstream reforms should have strong links with service delivery, and institutional reforms should be homegrown and have strong political ownership. Most importantly, noting the disconnect between upstream and downstream distinctions in the way the Bank’s interventions are traditionally organized, and that, ultimately, “public sector reform is a pragmatic problem-solving activity” (World Bank 2012c), the public sector management approach advises pragmatism in finding ways to change the behavior of public sector agents.

Figure 6: The Public Sector Results Chain

The government roadmap emphasizes visible service delivery improvements as a key premise. In line with this mandate, the Program focuses on providing cross-cutting institutional support to meet key service delivery challenges in the field. This downstream link will be achieved by helping PITB and PPRA improve downstream service delivery and through DFID technical assistance in focal districts to fund promising innovations. The choice of the seven
target departments also reflects the service delivery focus. These departments represent a substantial bulk of citizen–state interaction, government functionaries, and provincial budget. The proposed interventions will benefit citizens directly. Given the visibility of these departments, the Program interventions will also have a high demonstration impact.

In emphasizing citizen engagement, transparency, and ICT, the Program also draws on lessons from the Bank’s GAC Strategy. As mentioned earlier, citizens, now armed with unprecedented opportunities to access and share information through new communication technologies, are increasingly unwilling to accept a passive role in society and are demanding the rights and the responsibilities of citizenship (World Bank 2012b). The strategy observes that citizens now seek a relationship with their government that is based on transparency, accountability, and participation, and ask for the equitable distribution of material gains as well as a say in how they are governed.

ECONOMIC JUSTIFICATION

Rationale for Public Provision

The World Bank (2012c) provides a strong rationale for supporting public management improvements. 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 services provided by the government, and the efficiency, effectiveness, and accountability of the public sector machinery are key areas that need to be improved. The proposed reform areas—increasing property tax collection in Punjab and supporting cross-cutting areas across government in monitoring, e-service delivery, and accountability—provide a clear economic rationale for the intervention.

The Program’s Economic Impact

The expected economic impact, though difficult to quantify, is positive. The Program will strengthen the performance and transparency of the Punjab government’s targeted departments by improving the dissemination of information on service delivery, facilitating access to services, supporting results-based management, improving tax administration and revenue collection, and making procurement practices more efficient. While increments in tax collection can be projected, the improvements in accountability that will augment institutional performance and provide better access to services do not easily translate into monetary terms. Moreover, the transversal nature of reforms to disclosure, monitoring, service delivery, and procurement, and the fact that these reforms are implemented alongside other government initiatives, make it difficult to attribute the expected outcomes to a single initiative.

Despite these difficulties, and based on certain assumptions, the expected impact of the proposed interventions is positive. The analysis assumes an exchange rate of PRs 100 per US
dollar and a 5 percent discount rate. The overall benefit is valued to be an estimated US$ 29 million to 58 million, whereas the present value of the cost of intervention is about US$ 40 million.

**Transparency**: Transparency is widely seen to reduce corruption in the public sector, promote citizen participation, and increase trust between the state and its citizens. Lack of information and, therefore, accountability creates inefficiencies 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 scrutiny. The mechanism of improvement is likely to be public service managers’ desire to avoid gaining a bad reputation.

The key cause of poor governance—widely recognized as a driver of low growth in developing countries—is the information asymmetry among different tiers of the government and between users of public services (citizens) and public servants. The proposed interventions aim to address this asymmetry by creating an MIS for internal accountability and public disclosure of information for external accountability. As the literature indicates, increased accountability is expected to improve the performance of government departments and thus lead to better service delivery. However, the benefits resulting from transparency and accountability in the short to medium term are difficult to quantify.

**Access to services**: The proposed intervention in this result area focuses on saving the time and money spent 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 through call centers could reduce this cost through three mechanisms. First, the financial cost will fall because citizens will have to make fewer trips to service delivery centers. Second, the time saved can be spent on productive activities. Third, “facilitators” or intermediaries often exploit citizens’ lack of information to charge higher fees and extort bribes; authentic information received through the intervention will reduce the information gap, thereby reducing opportunities for such agents.

The present value of return on investment in this result area is positive. The proposed intervention will reduce the cost incurred by citizens due to lack of information: a careful estimate of the discounted value of this saving is US$ 6 million to 12 million (table 5), while the discounted value of the cost of intervention is only about US$ 7 million. The benefits are estimated to be a fraction of the extra cost paid due to lack of information under different scenarios of improvement (5, 8, and 10 percent). The additional benefits include more time available for productive activities and greater citizen satisfaction—objectives that are at the heart of every public policy.

*Table 5: Benefits of Intervention: Access to Services*
<table>
<thead>
<tr>
<th>Department</th>
<th>Service</th>
<th>Average monthly number</th>
<th>Relevant office</th>
<th>Extra cost (US$)</th>
<th>Saving (US$ millions)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Education</td>
<td>Board results (yearly)</td>
<td>4,000,000</td>
<td>Divisional board</td>
<td>5%</td>
<td>7%</td>
</tr>
<tr>
<td></td>
<td>Intermediate college admissions</td>
<td>25,000</td>
<td>Colleges</td>
<td>5%</td>
<td>7%</td>
</tr>
<tr>
<td></td>
<td>School admissions</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Health</td>
<td>Public service messages (misc.)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Revenue</td>
<td>Domicile</td>
<td>33,000</td>
<td>Domicile branch</td>
<td>1</td>
<td>0.10</td>
</tr>
<tr>
<td></td>
<td>Property registration</td>
<td>32,000</td>
<td>Sub-registrar’s office</td>
<td>50</td>
<td>4.80</td>
</tr>
<tr>
<td></td>
<td>LRMIS fard issuance</td>
<td>210</td>
<td>LRMIS facilitation center</td>
<td>50</td>
<td>0.03</td>
</tr>
<tr>
<td>Local Government</td>
<td>Birth registrations</td>
<td>300,000</td>
<td>Union council</td>
<td>1</td>
<td>0.90</td>
</tr>
<tr>
<td></td>
<td>Death certificates</td>
<td>30,000</td>
<td>Union council</td>
<td>1</td>
<td>0.09</td>
</tr>
<tr>
<td></td>
<td><strong>Total</strong></td>
<td></td>
<td></td>
<td><strong>5.92</strong></td>
<td><strong>8.29</strong></td>
</tr>
</tbody>
</table>

Source: World Bank estimates

Note: Extra cost refers to cost associated with lack of information. LRMIS = (Punjab) Land Records and Management Information System

**Performance monitoring:** The evidence suggests that substantial absenteeism prevails within the public sector. The rate of absenteeism among doctors at basic health units is close to 67 percent (Callen, Gulzar, Hasanaain, and Khan 2012). Anecdotal evidence suggests that absenteeism is even higher among field workers, who are even more difficult to monitor than those posted to stationary facilities. The value of service they provide is considerably lower than what they could have provided if working at an optimum level. The improved monitoring of service providers in the public sector through smart management—reducing the information asymmetry between the service delivery layer and its 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 the benefits of improved planning.

The net present value of investment in this result area is positive, making it financially viable. About 19,000 workers will be targeted under the Program and the present value of benefits ranges from US$ 11 million to 16 million (table 6), which exceeds the discounted value of the budgeted cost (US$ 6.77 million). The benefits are estimated assuming different absenteeism rates for employees on different pay scales. The value of these benefits is measured by multiplying the average number of days that employees are absent by the wage per day and the improvement rate (assumed to be 20, 25, and 30 percent), and then subtracting the value of service delivery that is otherwise provided by the private sector (assumed to be 30 percent).
The benefits gained include the effort put in by public service providers against the benefits they receive from the tax money and improved public service delivery in education and health, which will help accumulate human capital, thereby enhancing total factor productivity, fostering national economic growth, and monitoring spillover effects.
Table 6: Benefits of Intervention: Performance Monitoring

<table>
<thead>
<tr>
<th>No. of services</th>
<th>Department</th>
<th>Service</th>
<th>Personnel</th>
<th>No. in Punjab</th>
<th>BPS</th>
<th>Pay+ perks (US$ million)</th>
<th>No of days absent (in 5 years)</th>
<th>Cost (US$ million)</th>
<th>Savings (US$ million)</th>
<th>20%</th>
<th>25%</th>
<th>30%</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Health</td>
<td>General health supervision</td>
<td>EDO, DHO, DDOs</td>
<td>216</td>
<td>17</td>
<td>10.37</td>
<td>120.00</td>
<td>0.09</td>
<td>0.10</td>
<td>0.12</td>
<td>0.14</td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>Nutrition</td>
<td>supervision</td>
<td>School health and nutrition supervision</td>
<td>1,800</td>
<td>17</td>
<td>86.40</td>
<td>120.00</td>
<td>0.76</td>
<td>0.80</td>
<td>0.99</td>
<td>1.19</td>
<td></td>
</tr>
<tr>
<td>3</td>
<td>Vaccination</td>
<td></td>
<td>Vaccinators</td>
<td>3,600</td>
<td>7</td>
<td>54.00</td>
<td>500.00</td>
<td>1.51</td>
<td>2.07</td>
<td>2.59</td>
<td>3.11</td>
<td></td>
</tr>
<tr>
<td>4</td>
<td>Maternal and child health supervision</td>
<td>LHSs</td>
<td>1,600</td>
<td>11</td>
<td>28.80</td>
<td>500.00</td>
<td>0.67</td>
<td>1.10</td>
<td>1.38</td>
<td>1.66</td>
<td></td>
<td></td>
</tr>
<tr>
<td>5</td>
<td>Agriculture</td>
<td>Agriculture extension</td>
<td>AO</td>
<td>559</td>
<td>17</td>
<td>23.48</td>
<td>180.00</td>
<td>0.23</td>
<td>0.32</td>
<td>0.41</td>
<td>0.49</td>
<td></td>
</tr>
<tr>
<td>6</td>
<td>Agriculture</td>
<td>extension</td>
<td>FA</td>
<td>2,981</td>
<td>11</td>
<td>53.66</td>
<td>500.00</td>
<td>1.25</td>
<td>2.06</td>
<td>2.57</td>
<td>3.09</td>
<td></td>
</tr>
<tr>
<td>7</td>
<td>Livestock</td>
<td>General livestock supervision</td>
<td>by DOs and DDOs</td>
<td>144</td>
<td>17</td>
<td>6.91</td>
<td>120.00</td>
<td>0.06</td>
<td>0.06</td>
<td>0.08</td>
<td>0.10</td>
<td></td>
</tr>
<tr>
<td>8</td>
<td>Vaccination and deworming</td>
<td>VAs</td>
<td>3648</td>
<td>9</td>
<td>54.72</td>
<td>500.00</td>
<td>1.53</td>
<td>2.10</td>
<td>2.62</td>
<td>3.15</td>
<td></td>
<td></td>
</tr>
<tr>
<td>9</td>
<td>Artificial insemination</td>
<td>AIs</td>
<td>1,800</td>
<td>9</td>
<td>27.00</td>
<td>500.00</td>
<td>0.76</td>
<td>1.04</td>
<td>1.29</td>
<td>1.55</td>
<td></td>
<td></td>
</tr>
<tr>
<td>10</td>
<td>Education</td>
<td>Education supervision by EDO, DOs, DDOs and AEOs</td>
<td>180+13,.00</td>
<td>1,480</td>
<td>16</td>
<td>44.40</td>
<td>200.00</td>
<td>0.62</td>
<td>0.68</td>
<td>0.85</td>
<td>1.02</td>
<td></td>
</tr>
<tr>
<td>11</td>
<td>Data collection</td>
<td></td>
<td>MEAs</td>
<td>929</td>
<td>10</td>
<td>11.15</td>
<td>500.00</td>
<td>0.39</td>
<td>0.43</td>
<td>0.53</td>
<td>0.64</td>
<td></td>
</tr>
<tr>
<td>12</td>
<td>Irrigation</td>
<td>Canal-level data collection</td>
<td></td>
<td>200</td>
<td>17</td>
<td>9.60</td>
<td>120.00</td>
<td>0.08</td>
<td>0.09</td>
<td>0.11</td>
<td>0.13</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Total 7.96</td>
<td>10.84</td>
<td>13.56</td>
<td>16.27</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Source: World Bank estimates

Note: AEO = assistant education officer, AI = artificial inseminator, AO = agriculture officer, DDO = deputy district officer, DHO = district health officer, DO = district officer, EDO = executive district officer, FA = field assistant, LHS = lady health supervisor, VA = vaccination assistant.

Mobilizing resources: By digitizing its property database, the Punjab government will be able to generate larger revenues from UPT, which can be invested in basic infrastructure, the maintenance of assets, and improvements in the scope and quality of public service provision. The simulation analysis suggests that, by digitizing the urban property database, the government will be able to generate about US$ 15 million to 30 million (table 7) in additional revenues from
UIPT over the next 10 years, which justifies the cost of intervention (about US$ 23 million). Other planned government interventions, such as the reevaluation of rental rates, will also contribute to increased tax collection but given the uncertainty surrounding these efforts, the estimates take into account only the Program’s interventions.

The simulation analysis assumes that the UIPT-to-GDP ratio will remain constant over the next 10 years if there is no change in tax policy and that the dollar value of tax revenues is also constant. In the baseline case, tax revenues are assumed to be constant (in dollars) at the level expected in 2013 (assuming 7 percent growth over the previous year, 2012). Moreover, the simulations are based on planned interventions 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 longer period and not just over the ten years.

**Table 7: Benefits of intervention: Digitization of UIPT**

<table>
<thead>
<tr>
<th>Year</th>
<th>Property tax revenues (US$ million)</th>
<th>Improvement in tax Collection</th>
<th>Baseline</th>
<th>5%</th>
<th>7%</th>
<th>10%</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td>42.00</td>
<td>42.06</td>
<td>42.09</td>
<td>42.12</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2015</td>
<td>42.00</td>
<td>42.18</td>
<td>42.28</td>
<td>42.35</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2016</td>
<td>42.00</td>
<td>42.88</td>
<td>43.40</td>
<td>43.75</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2017</td>
<td>42.00</td>
<td>43.28</td>
<td>44.05</td>
<td>44.57</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2018</td>
<td>42.00</td>
<td>44.10</td>
<td>45.36</td>
<td>46.20</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2019</td>
<td>42.00</td>
<td>44.10</td>
<td>45.36</td>
<td>46.20</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2020</td>
<td>42.00</td>
<td>44.10</td>
<td>45.36</td>
<td>46.20</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2021</td>
<td>42.00</td>
<td>44.10</td>
<td>45.36</td>
<td>46.20</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2022</td>
<td>42.00</td>
<td>44.10</td>
<td>45.36</td>
<td>46.20</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2023</td>
<td>42.00</td>
<td>44.10</td>
<td>45.36</td>
<td>46.20</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>420.00</td>
<td>434.99</td>
<td>443.99</td>
<td>449.98</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Source: World Bank estimates

In terms of procurement, the Program’s activities focus on strengthening PPRA and improving its transparency. Although these activities are seen as critical to improving the efficiency of procurement processes, their impact is difficult to quantify at this preliminary stage. For instance, PPRA will be given support to develop procurement documents and a training program, to set up a monitoring and evaluation system with performance benchmarking, and to design an e-procurement system. These initiatives are expected to allow government agencies to
better plan their procurement processes and level the playing field for a more competitive procurement, which, in turn, could be used for investing in service delivery or infrastructure.
ANNEX

Annex 1: Citizen Feedback Model

To overcome the widespread civic cynicism caused by petty corruption and to improve the day-to-day monitoring of service delivery, the Bank is working with government officials and politicians in Punjab, Pakistan’s most populated province, on a project to foster a proactive management culture that seeks citizen feedback. The Punjab citizen feedback model\(^\text{17}\) harnesses call centers, text messages, and personal phone calls to proactively solicit feedback from citizens availing various day-to-day services such as character certificates, driving licenses, police rescue services, dialysis, indoor health services in rural health centers, computerized land record management systems, general emergency services (Rescue 1122), the Lahore Development Authority, domicile registration, teacher recruitment, and property registration. The project has been highly successful in reaching the grassroots level, and been recognized by the international and local media for its wide coverage. It is operational in all 36 districts of Punjab, spanning 16 services that include health, revenue, and the police, among others. Through this model, over 2.7 million citizens have been contacted so far, around 0.375 million have sent feedback by SMS (an overall response rate of around 14 percent), and another 40,000 citizens have been contacted via telephone.

When a citizen visits any of the targeted government offices to access these services, their name, mobile phone number, type of service received, and the official responsible are sent to an outsourced call center. The call center follows up with a robo-call and a text message requesting feedback. Responses are entered into a database, categorized on the basis of a protocol, and the reports made available in real time to both the department and the district providing the service, and to the secretary for implementation and coordination at the Office of the Chief Secretary Punjab. In addition, the project supplements this collection of valuable feedback with direct calls to citizens by senior government officials.

The project is funded entirely by the Punjab Government and is managed by PITB on behalf of the Chief Minister’s secretariat and the Implementation and Coordination Department of the Chief Secretary’s office. Complete ownership by the government has ensured the project’s sustainability and effectiveness. The citizen feedback model helps senior management in the government make better-informed decisions by providing them with detailed, transaction-specific, time-bound, context-defined, and quantitative data. The model emphasizes trend analysis of the feedback as opposed to becoming mired in efforts to redress individual complaints. By looking at trends, senior management can identify systemic issues and bottlenecks that frustrate most people who attempt to avail the service. Over the next few years, the government plans to make the citizen feedback model an integral component of service delivery in the province. The Implementation and Coordination Department plans to add multiple services to the model; it is currently in the process of adding more hospitals in the health sector, local government services (birth, death, and marriage certificates), and education.

\(^{17}\) Please see website link (\url{www.punjabmodel.gov.pk}) for more details.
REFERENCES


http://econ.ucsd.edu/~mjcallen/pdfs/pea.pdf


