II.   PROGRAM DESCRIPTION

Punjab Public Management Reform (PPMR) Program

A.   Program Scope

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

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

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

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

17. The focus of the PPMR Program is on strengthening public information management systems that are critical for transparency and resource management. Program interventions will improve these country systems, strengthen the capacity of the executing agency and the three implementing agencies[21] to manage them, and provide incentives for line departments and public agencies to use them. Eventually, improved information management systems will lead to better resource allocation and performance management which will result in enhanced accountability and service delivery improvements.[22] However, the Program is realistic as to what can be achieved during its timeframe considering the capacity constraints and complexities to implement the proposed reforms which in some cases, such as e-procurement, require legal changes. In this sense, as mentioned above, this operation complements other Bank projects underway in key sectors (Health, Education, Urban Development, etc.) that are drilling downstream by addressing the cross-cutting constraints these sectors face.

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[19] See PDO Indicator #2.

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

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

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

Table 2. The Program

PPMR Program ("the Program")				
Result Area	**Expected Results**	**Activities to be Supported**	**Implementing Agency**	**Targeted Users**
Result Area 1. Transparency and Access to Services. Objective: to improve citizens' access to information provided by targeted departments and facilitate access to key services.	• Improved citizen access to information about key services. • Targeted organizations and implementing agencies publishing information.	• Proactive disclosure of official information; establishing automated record management systems within key departments; and geo-mapping and publishing online development schemes. • Offering information services to citizens on key public services by using ICT interfaces (the Web, helplines, SMS). • Using ICT to automate service delivery (electronic payments, online application, and back-end automation) in key services.	PRMP (also the executing agency) PITB	Implementing agencies and targeted departments as per Table 10.2 of Annex 10. Key services as per Table 10.3 of Annex 10.
Result Area 2. Performance monitoring. Objective: to support smart monitoring and make performance information available for decision-making.	• Reliable service delivery information available to citizens and decision-makers • Performance monitoring systems implemented and used by line departments to monitor personnel delivering field services.	• Implementing a data collection system based on smartphones in key services provided by field workers. • Producing performance reports for decision making, gathering administrative and citizens' feedback; and public disclosure of performance information.	PITB	Departments in charge of delivering key services specified in Table 10.4 of Annex 10.
Result Area 3. Resource Management Objective: to improve the capacity of the province for resource mobilization and better expenditure management.	• Property registries functional at the district level. • Procurement MIS system implemented and used by cost centers for targeted contracts.	• Developing a digital database of property records and implementing revised ICT-based business processes to improve tax collection. • Developing and implementing a procurement performance management system, disclosing key procurement documents, and implementing e-procurement.	E&T Department PPRA	All districts in the province. Selected organizations as per Table 10.5 of Annex 10

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

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

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

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

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

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

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

Table 4. Program Financing (US$ million)[23]

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

21.   **Government ownership.** The Punjab Government has a solid track record of governance reforms. For instance, the provincial chief minister has regularly monitored the education district-level performance indicators, and several performance management innovations[24] supported by the Bank have created substantial interest (see Annex 4 for details). In the 2013 elections, the manifesto of the Pakistan Muslim League (Nawaz), the party that remained in power in the province, included the main themes of the government's program.

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

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

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

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

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

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

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

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

B. Program Development Objective (PDO)

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

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

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

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

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

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

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

Table 5. Program DLIs

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

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

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

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

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

D.   Key Capacity Building and System-Strengthening Activities

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

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