PC-I

Khyber Pakhtunkhwa Revenue Mobilization and Public Resource Management Program
(Technical Assistance)

ESTIMATED COST USD $ 18 MILLION
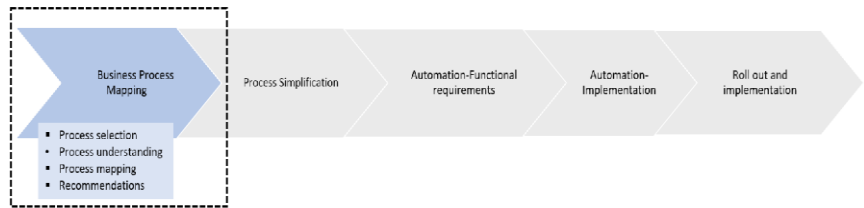
**FINANCE DEPARTMENT,
GOVERNMENT OF KHYBER PAKHTUNKHWA.**

1	Name of Project.	Khyber Pakhtunkhwa Revenue Mobilization and Public Resource Management Program (Technical Assistance)
2	Location	Finance Department.
3	Authority Responsible for:	Finance Department, Khyber Pakhtunkhwa
i.	Sponsoring	International Development Association (IDA) Credit
ii.	Execution	Finance Department, Government of Khyber Pakhtunkhwa
iii.	Operation & maintenance	Finance Department, Government of Khyber Pakhtunkhwa
4	Plan Provision.	**Khyber Pakhtunkhwa Revenue Mobilization and Public Resource Management Program** (KPRM&PRMP) has two major components **one** is Eligible Expenditure Program (EEP), which will fund expenditures of the main government entities responsible for implementing the PFM Reform Strategy and **second** is Technical Assistance (TA) for foundational support for e-Government functionality and program coordination support unit and necessary capacity building component to enable the provincial government to plan and execute the required reforms agenda for the achievement of envisaged results over life of the program. The PFM Reform Strategy is a well-defined government program with strong ownership, as indicated by existing achievements in PFM (e.g. budget preparation and development budget execution through the NFMIS) as well as extensive policy. The GoKP is interested to improve the functionality of its administrative processes, improve resource management and service delivery - first through the mapping and review of business processes in selected departments, followed by piloting the implementation across key departments as a proof of concept.
5	**Project Objectives and its relationships with sectoral objectives.**	As per the previous operations of DLI based projects, it has been observed that these project didn't acquire the desired results within given time period without the TA component. Considering the previous operations and provincial government specific need for the implementation of 'paper less electronic communication' challenging reform intervention, the TA component will attain following objectives: - Business Process Mapping of existing govt. processes and capacity gaps, - Foundational Support for the E-government functionality, - Establishment of Shared Services Unit (SSU) to provide cross cutting support for the provincial government for the effectiveness of World Bank administered projects The KP PFM Reform Strategy takes an integrated approach to PFM reforms that covers the whole PFM cycle at both the provincial and local government levels. The program will support selected reforms under the six policy objectives of the PFM Reform Strategy. The Strategy's reform areas and targeted KPIs under each objective as well as the related PforR Program boundaries are listed in Table 1 (**Annex-I**). The selection of the areas of the PFM Reform Strategy that the PforR supportis based on the GoKP own prioritization, the potential for high impact, and the Bank's own potential to add the most value in terms of technical expertise and sharing of international good practices in revenue mobilization and PFM.

		The Strategy is organized around six policy objectives:
		i. resource mobilization;
		ii. asset and liability management;
		iii. accountability for results;
		iv. policy-driven planning and budgeting;
		v. comprehensive, credible, and transparent budget; and
		vi. predictability and control in budget execution.
6	**Description, Justification and Technical parameters.**	**Weak ICT platforms and lack of interoperability hamper GoKP business.** While some departments have digitized some or all their records or workflow processes many departments still handle workflows manually. Full back office automation with advanced online services offering is still hampered by regulations for manual signatures—in some cases requiring several official notations before action by final approvers. Most departments have not benefited from the efficiencies of digitization and automated data exchanges between related systems. For instance, the three departments involved in revenue mobilization do not have data sharing protocols. Some departments are already providing online services e.g. for Grievance Redress and Right to Information. These are however, limited in scope and sophistication. The GoKP has made some progress in e-Government, but several challenges still remain. Most of business processes are manual and take time to complete. The GoKP has expressed interest in improving the functionality of its administrative processes, improve resource management and service delivery - first through the mapping and review of business processes in selected departments, followed by piloting the implementation across key departments as a proof of concept.
		Records management and archiving is a significant problem. Government transaction is paper based, and need to be digitized for digital usage, preservation and reference. Some agencies, for example, the Pensions Department, have made progress in digitizing their records. There is a need to further digitize records in several departments, automate record management system and improve indexing and archiving and easy document retrieval.
		There are no formal electronic communications protocols. Currently Government departments do not have any official platform to communicate within GoKP. All systems are paper based which slows down many Government functions and consequently affects the service delivery. Some offices are using free publicly available e-mail systems, (e.g. Gmail, Yahoo, etc.) to communicate with non-Government entities. However, there is no formal digital system for official correspondence within GoKP. GoKP needs a comprehensive system to communicate with auto archiving facility which would be backed by required legislation.
		There are capacity gap issues with respect to fiduciary arrangement and project management implementation due to existing work load at the secretariat level, which requires a dedicated PCU, who may ensure compliance with World Bank procurement guidelines and monitor the overall progress of the project. The area of Program for Results component of this project includes number of reforms

interventions which requires proper technical assistance and continuous follow up to achieve the targets within given time.

JUSTIFICATION

Component 2

Component 2.1:   Providing Foundational Support for e- Government Functionality (US$12.5m)
The objective of this component is to improve the GoKP's e-Government functionality and equip them to facilitate administrative processes in a few selected government departments.[1] The Program will support the government to undertake a review of the full business processes in selected departments to determine the current state ("as is"), propose an action plan for the expected state ("to be"), and provide end to end automation for administrative processes in a few selected departments. This component will finance activities related to business process mapping, automation of government administrative processes, and provision of the requisite ICT equipment and infrastructure for implementation. This component is divided into the following two core activities:

- **Business Process Review and Mapping**
  This core activity will support the provision of foundational platform for e-Government functionality. The underlying activities to be supported under the core activity include the following:

  a. Mapping of GoKP Business Processes: The Program will finance the Business Process Mapping as a first step in developing e-Government functionality. A well-designed business processes will support the effective fulfilment of departmental missions and achievement of strategic goals. This mapping is expected to highlight critical business processes and functions; hidden processes; potential problems caused by disruption; escalations caused by problems; and essential resources required to enable continuity of critical business processes. Processes to be reviewed and mapped will be selected based on their strategic usefulness in creating a competitive edge for the GoKP in an increasingly digital public-sector environment; their measurability and performance orientation and whether they define roles, responsibilities, tools, management control, policies, standards, guidelines, activities and work instructions (when they are needed) (fig.1).

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[1] Selected departments include: Finance, Planning and Development; Establishment; Health; Education; Home; and Local Government.

Figure 1: BPR Sequencing

    b. Process Simplification Reengineering and development of functional and technical requirements: The Program will finance activities related to process simplification and reengineering of mapped processes in the selected departments. Activities to be financed will include consulting services to define new roles and responsibilities resulting from the process mapping; new tools needed to undertake new functions; management control systems to safeguard and operationalize new processes; and all necessary policies, rules, guidelines, activities and work instructions. The Program will also finance the development of functional and technical requirements to support the implementation of recommendations of the process mapping and allow for their integration.

- *E-Archiving, Indexing, digitization and web enhancements:*

This is a critical activity of the technical assistance intervention in support of facilitating the delivery of core administrative processes in the selected pilot departments as well as establishing a durable web and transparency platform. The Program will finance the following key underlying activities:

    i. Revision/or developing of regulations on the use of e-filing, including e-signatures

    ii. Developing an electronic archival system/ record classification, registry and storage facilities;

    iii. Establishing Document Management Tracking, Electronic Records, Personal Files and Databases systems.

    iv. Strengthening manual and electronic information security systems;

    v. Developing and implement Information Governance structures;

    vi. Periodic assessment, evaluation and reporting reviews to track performance of records management system implementation.

    vii. Strengthening capacity for e-records management

    viii. Strengthening provincial website (intranet and extranet) and email domain to ensure stable e-mail domain to departments

    ix. Provision of modern ICT equipment for enhanced volumetric data storage

Change Management: The Program will finance the development and implementation of a Change Management Strategy and Action Plan to ensure that GoKP government officials understand the new environment (e.g. e-Archiving,

Digitization, Web enhancements) and accept the associated new ways of conducting business. The Change Management Strategy and Action Plan will include relevant timeframes, outcomes, and responsibilities. Change Management will precede the piloting of new processes in selected departments. In addition, a pilot test to evaluate and refine the new process design should be planned, including the pilot sites and training of relevant government officials.

Figure 2: Technical Assistance and Capacity Building Roadmap
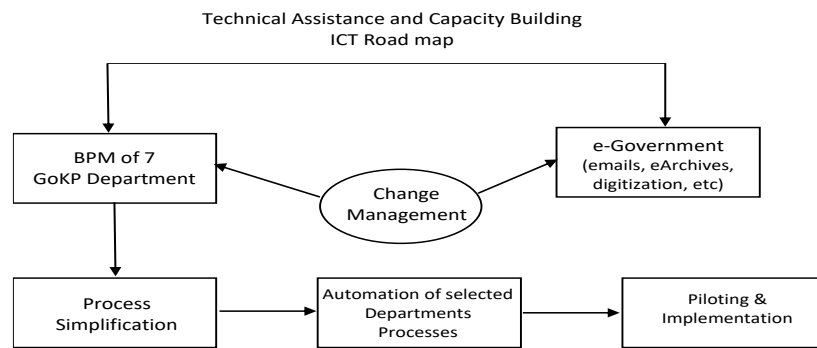
Component 2.2: Program Coordination and Support

The objective of this sub-component is to support Program coordination and implementing departments to undertake their activities in a timely manner to be able to achieve the targeted outcomes. The sub-component will finance the following activities:

a. *Program Coordination***:** The Program will finance the establishment of a Program Coordination Unit (PCU) in the Finance Department**.** The PCU will comprise a Program Coordinator; Learning Coordinator; Procurement Specialist; Financial Management Specialist; and Communication Specialist. Additional staff (e.g. ICT specialist) will be brought in as needed during Program implementation.

b. *Coordination of Capacity Building*: The PCU, while mainstreamed in the Finance Department, will have a designated Learning Specialist who will support the Program Coordinator in the coordination of the learning activities with the relevant departments. The PCU will develop a Learning Strategy targeting the capacity building areas identified in the Program Action Plan, those identified in the Fiduciary Risks, for example, Internal Auditing, and those aimed at facilitating achievement of specific DLIs. Training activities will rely on existing national level institutions. Training will involve peer to peer learning, especially across various provinces, and through linkages with external partners with experience in implementing reforms supported by this Program.

c. *Communications and Stakeholder outreach:* The Program will finance the development and implementation of a Communication Action Plan detailing key stakeholders to be reached during Program implementation including stakeholders inside and outside the of Government. For instance,

communication on tax compliance, the Tax Facilitation Centers and benefits of commercializing government property will be included as part of Communication Action Plan. As much as possible the Communication Action Plan will depend of various media platforms both to demonstrate progress made in implementation and outcomes as well sot inform key constituencies about how the Program activities are expected to affect and or benefit them. This activity will be undertaken as part of the Citizen Engagement strategy and will be initiated before Program effectiveness and throughout the duration of the Program. Possible activities to be included as part of the Communication Action Plan include Citizen Feedback on various services covered under the Program; user feedback on streamlined government processes; and the development of a regular communication platform for disseminating Program implementation progress.

d. *Program Monitoring, Evaluation and Verification*: The Program will finance the strengthening of M&E system to ensure improved tracking and assessment of Program activities. The M&E systems at the PCU will support the periodic review of milestones and achievements critical to the achievement of DLI targets. Activities to be financed will include the hiring of technical consultants as part of the PCU to undertake monitoring and evaluation and the design of tools for gathering pertinent data for verification and gathering of data to support Program monitoring. The Program will also support the engagement of Third-Party Verification Agent (TPMA) for the Program. This activity will be undertaken in close collaboration with the Monitoring and Evaluation Department, and where possible develop ICT based tools for Program implementation and progress reporting.

7.	**Capital Cost Estimates**	**Cost Estimates for the period:**

Components	IDA allocation (US$)
TA-Investment Project Financing (IPF) Arrangement	
Comp 2.1: *Providing Foundational Support for e- Government Functionality*	11
Comp 2.2: **Program Coordination and Support**	7
Grand Total	**18**

- Result Indicator Matrix as **(Annex-II)**
- Detail budget is enclosed as **(Annex-V)**

8	**Annual operating and Maintenance cost after completion of the project.**	The Govt. will finance the grace period up to 4 months after the closing date of the project. The grace period will include the salaries of core staff i.e. consultants, supporting staff and necessary offices expenses for the period (as envisaged in guidance note for closing World Bank administered grants/ loans) required to

		complete closing activities for the formal closure as per World Bank procedures and guidelines.
9	**Demand and Supply Analysis**	**Not applicable**
10	**Financial Plan and mode of Financing.**	**Grant instrument**: **Investment Project Financing (IPF)** Revolving fund assignment will be opened as per RFA procedures and funds will be utilized as per approved TA component. **Program for Results (PforR)** On achievement and subsequent successful verification of instant DLIs by an independent Third Party Verification (TPV) firm, the agreed amount of DLI will be disbursed to Provincial A/C-I. **Disbursement on account of PforR will be based on** achievement of the agreed DLIs upon verification and approval from the Bank. **Annex 2** shows the agreed list of DLIs and proposed annual financial allocations for each. Where expected results are not achieved in any year, the allocated amount will be carried over to the subsequent year. If targets are reached before deadlines, disbursement may only be made after clearance from the Association. Achievement of DLIs will be verified as per the agreed verification protocol (**Annex-IV**) by the TPVA. On verification, FD will communicate the achievement of the DLIs to the Bank and based on the Bank's approval letter, disbursement requests will be processed using the Bank's e-Business **platform.** **Financial management and disbursement arrangements** The Program will be managed by the Project Coordination Unit (PCU) housed in the Finance Department. The Financial Management Risk assessed is SUBSTANTIAL. *Staffing Arrangements:* A dedicated Financial Management Specialist is to be appointed at the PCU within three months of its effectiveness. The FM Specialist will be responsible for ensuring that financial management arrangements - i.e. Budgeting, funds flow, accounting, reporting, internal controls, audits, are being applied acceptable to IDA and that the funds are utilized for the intended purpose. The appointed staff will possess relevant experience and qualification and could be competitively selected from the market or seconded from the Office of the AG. *Budgeting*: The PCU will prepare annual budgets based on their work plans and submit them to the World Bank at least one month before the beginning of the project's fiscal year for review and approval. The budgets will follow applicable Government/entity budgeting guidelines. Budget will be reflected in the government systems indicating the budget sanctions for the current FY. During the financial year, budgets will be monitored semiannually using Interim Financial Reports (IFRs), which are to be submitted to the Bank within 45 days after the end of the semester (six

		monthly/bi-annual). The IFRs will also include the variance analysis between the planned and actual will need to be explained.
		Internal Controls: The IPF component will be implemented using internal control processes consistent with the requirements of the Institute of Internal Auditors. *Funds Flow and Disbursement Arrangements:* All the disbursement methods will be permissible i.e. advance, reimbursement and direct payments. The implementing agency at the Project Coordination Unit (PCU) established will maintain a foreign currency designated account at National Bank of Pakistan. An online withdrawal application will have to be submitted to Bank via Client Connection, supported by a six-monthly cash forecast. Table 1 sets out the amount allocated to a single disbursement category for financing out of the proceeds of the credit in respect of the TA component: **Table 1:Disbursement Categories** <table><tr><td>**Categories**</td><td>**Amount of the Credit Allocated (expressed in SDR)**</td><td>**Percentage of Expenditures to be Financed (inclusive of Taxes)**</td></tr><tr><td>Goods, consulting and non-consulting services, training, operating costs</td><td>XXX</td><td>100%</td></tr><tr><td>**Total amount**</td><td>XXX</td><td>100%</td></tr></table> *Audit Arrangements:* The office of the Auditor General of Pakistan (AGP), which is acceptable to the Bank, will conduct annual audit of the TA component of the Program. The Directorate General Audit (KP), as representative of AGP, will carry out the audit of the TA component in accordance with the TORs that have been agreed between Bank and AGP. For each fiscal year closing on June 30th, acceptable audited financial statements will be submitted to the Bank by December 31st, i.e. within nine months of the close of the financial year.
11	**(A) Project benefits and analysis**	Financial: Income to the project along with Assumptions. **Not applicable**. Social: Quantify benefits to the target Group. **Not applicable** Environmental: Environmental impact assessment negative / positive. **The project would not have any adverse impact on the environment.** **(b) Project analysis** Quantifiable output of the project **Result Indicator Framework (Annex II)** Unit cost analysis **Not applicable** Employment generation (direct and indirect) Direct; Indirect; Nil

12	**Implementation Schedule**	Date of Commencement 01.07.2019 Date of Completion 30.06.2025
13	**Management structure and manpower requirement.**	**Implementation Arrangements** To provide high quality cross-functional support to WB-financed projects and continue to strengthen capacity for project implementation, the Government of Khyber Pakhtunkhwa (GoKP) and the World Bank have agreed to establish a Shared Services Unit (SSU). **Objective** The SSU will provide technical support to projects and facilitates linkages across projects with appropriate authorities responsible for execution. It is expected that centralizing cross cutting project management functions and expertise would remove the need for recruitment of these specialists each time a project is under preparation, and thus improve implementation readiness. It would also reduce opportunistic hiring of project staff from existing projects and therefore improve portfolio performance, strengthen the use of country systems, consolidate project management, standardize remuneration for project staff, increase quality control and enhance coordination among key stakeholders for improved project performance. **Structure** The SSU will be led by SSU Coordinator (G18+ or equivalent talent hired from the market) and provide centralized cross-functional support to both pipeline and portfolio projects in financial management (FM), procurement (PRC), social (SOC) and environmental (ENV) safeguards, monitoring and evaluation (M&E), and communication (COMM). The proposed structure and staffing of each function is summarized below (Fig. 1). **Staffing** The SSU will be staffed by qualified professionals in core cross-cutting project management functions as described above. SSU Coordinator is preferably a Grade-18 or higher civil service personnel or an equally qualified individual from the market and will be appointed by GoKP Finance Minister. SSU staff may be deputed from relevant government entities e.g. Auditor General of Pakistan or the Provincial Internal Audit Cell, or where qualified talents are not available within the

government, they may be recruited from the market under World Bank procurement guidelines. The SSU will maintain an appropriate mix of gender representation, with women constituting approximately one third of SSU staff (Fig. 2).

Each staff is expected to support multiple projects unless otherwise determined. Additional staff may be hired as needed based on requirements for new competencies or short-term technical guidance, e.g. procurements for highly complex project or safeguards requirements in high risk projects. The SSU Coordinator will be responsible for placing appropriate staff to support projects.

In the transition period through June 2020, SSU staff may be assigned from the first two IDA-financed projects, namely projects for *Integrated Tourism Development* and *Revenue Mobilization and Public Resource Management* (see the transition plan below). Based on the initial experience, terms of reference for critical functions will be drawn and the key positions will be advertised for competitive selection and filled by the end of the transition period (Jun 2020) either from relevant government entities or from the market.

Shared Services Unit
transition plan for Mar 2019-June 2020
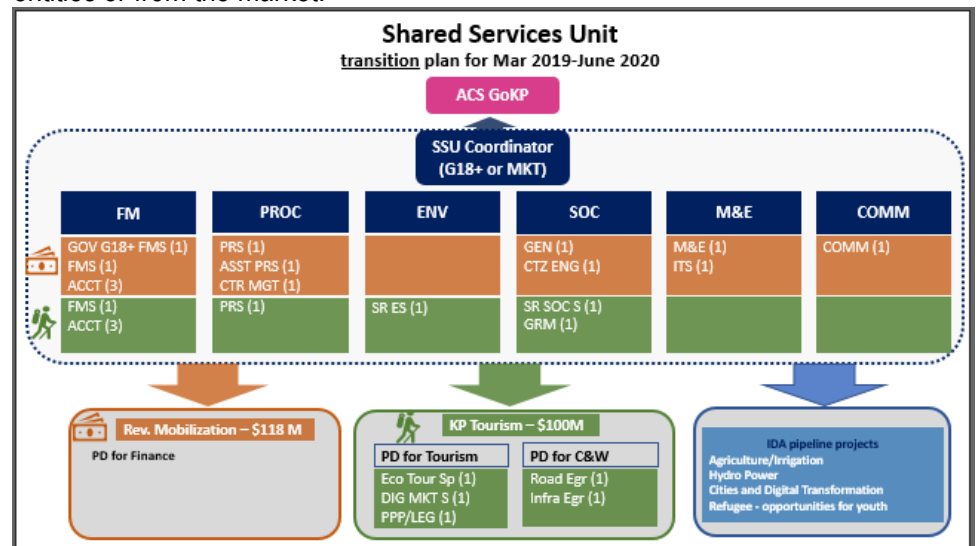
Reporting and work programming

The SSU Coordinator will provide day-to-day management of SSU staff. The SSU will sign a Memorandum of Understanding (MOU) with each Project Director to provide required services at acceptable quality and selected KPIs identified in Ops Manuals will be used for performance management. Individual SSU staff's performance will be evaluated by SSU Coordinator based on inputs provided by relevant Project Directors and SSU colleagues. During the implementation period, SSU Coordinator will maintain a strong partnership with Project Directors and World Bank Task Team Leaders to ensure effective and efficient project implementation and support for portfolio review (See Figure 3).

For projects under implementation, the SSU Coordinator will assign SSU specialists to multiple projects depending on the pipeline and portfolio size and requirements. As the portfolio expands and the number of projects increases, the SSU coordinator will assign individual specialists to a portfolio of projects. No single project is expected to "own" a specialist. Only in exceptional circumstances, full time support may be considered for a limited time-period to provide extensive/special support.
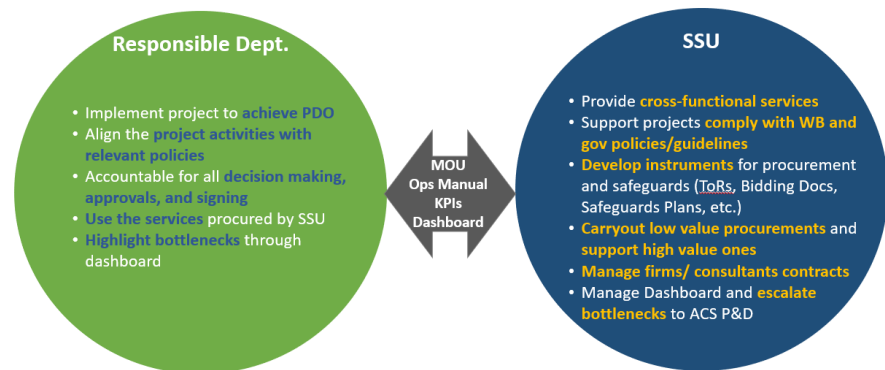
For each new pipeline project, the SSU Coordinator will assign a team of specialists. The team will support GoKP entities to prepare PC-1, and support WB specialists to fulfill fiduciary and safeguard requirements for project preparation such as the fiduciary assessments, procurement strategy (PPSD), procurement plans, gender assessments, safeguards assessments and the results framework, and assist to facilitate required government approvals (e.g. PDWP, CDWP, and ECNEC).

Project Directors will remain accountable for a successful project implementation and achievement of Project Development Objectives (PDOs) and will work closely with the World Bank Team Leaders for all project reporting purposes, including for purposes of portfolio review.

Figure 3: Reporting and work programming

Responsible Dept. vs. SSU roles

Responsible gov depts. are accountable to achieve PDO with cross-functional services support provided by SSU

All final approvals lie with Project Director and responsible depts.

Responsible Dept.
- Implement project to achieve PDO
- Align the project activities with relevant policies
- Accountable for all decision making, approvals, and signing
- Use the services procured by SSU
- Highlight bottlenecks through dashboard

MOU
Ops Manual
KPIs
Dashboard

SSU
- Provide cross-functional services
- Support projects comply with WB and gov policies/guidelines
- Develop instruments for procurement and safeguards (ToRs, Bidding Docs, Safeguards Plans, etc.)
- Carryout low value procurements and support high value ones
- Manage firms/ consultants contracts
- Manage Dashboard and escalate bottlenecks to ACS P&D

Core Functions
SSU Coordinator:
1) Manage and ensure effective support to projects (as measured through achievements of KPIs identified in Ops Manual)
2) Ensure SSU functions are sufficiently staffed
3) Assign SSU staff to provide quality services to all projects as per the Operations Manual and as agreed in MOU
4) Liaise with Project Directors
5) Support capacity building of SSU staff
6) Review performance of SSU staff
7) Facilitate PC-1 approval process for all projects
8) Manage dashboard to escalate bottlenecks to resolve cross-functional issues
9) Play a leading role in portfolio review discussions

1. **Financial Management**

    1) **Planning and Budgeting:** Support projects in preparing PC-1s, project budgets and cash plans. Ensure timely scheduling of development committee meetings, provision of budget for counterpart funds.

2) **Flow of funds:** Facilitate timely opening and operation of assignment account (aka designated account) in coordination with Finance Department (FD) and Auditor General's (AG) office. Ensure timely release of funds into the assignment accounts by FD. Support these departments in simplifying the rules and procedures to open assignment accounts.

3) **Accounting and Reporting:** Closely coordinate with Auditor General and Director General MIS to ensure that Interim Unaudited Financial Reports (IUFRs) and Financial Statements (FS) are prepared and reported by using the country's Integrated Financial Management Information System (IFMIS). Ensure timely reconciliation.

4) **Internal Controls:** Closely coordinate with the internal auditor to ensure that risks are identified and mitigated in a timely manner. Review internal audit reports and ensure resolution and compliance with internal audit recommendations. Ensure that the systems are in place for asset accounting, cash management etc.

5) **External Audit:** Timely coordination with the DG provincial audit in planning and executing the audit of project financial statements. Actively follow up on the DAC meeting and resolve audit issues as these arise.

2. **Procurement**

1) **Procurement strategy and plans:** Assist Project Directors in making procurement strategy (PPSD) and procurement plans

2) **Procurement process:** Carry out low value procurements and support high value procurement process

3) **Coordination services:** Provide timely procurement coordination services from preparation of ToRs, bid evaluations, to contract management services, etc.

4) **Procurement instruments:** Develop required procurement instruments based on technical specifications provided from implementing agencies, including ToRs, Bidding Docs, etc.

5) **Contract management:** Manage firms/ consultants' contracts providing support across projects (internal audit, M&E etc)

6) **Policies compliance:** Advise projects to comply with all relevant World Bank and government procurement policies /procedures

7) **Flag issues:** Flag procurement issues through dashboard and escalate bottlenecks to Chairman P&D

3. **Environment and Social Safeguards**

1) Help hiring/vetting of environment and social studies consultants
2) Assure quality of safeguards documents especially for high risk projects
3) Advise/build capacity of Project Implementation Units (PIUs) to fulfill its responsibility to implement projects' environment and social safeguards

4) Liaise with Environment Department for environment clearances and Board of Revenue (BOR) and other relevant provincial land owning and administrative agencies for land acquisition matters
5) Ensure appropriate citizen's engagement practice/Grievance Redressal Mechanism are in place for each project
6) Gender-sensitive project design and implementation – assist each project to develop, implement and monitor progress against Gender Action Plans; develop gender-based knowledge products

4. **Monitoring and Evaluation**
1) Assist in developing results framework for each project
2) Manage M&E consulting services to track progress of all projects
3) Update development dashboard and produce periodic reports as required by GoKP
4) Evaluate development results and share with decision makers
5) Assist preparation for portfolio reviews, ISRs, mid-term reviews, and project completion reports

5. **Communications**
1) Develop communications strategy to build development story for the overall portfolio and individual projects
2) Analyze political economy developments and adjust communications strategy
3) Communicate projects' development outcomes and impacts through various media channels (social media, TV, radio, print media, etc.)
4) Ensure continued citizens and stakeholder engagement

Financing the SSU
The SSU will be financed by project proceeds subject to World Bank procurement guidelines. In the initial phase, the SSU will be financed by the TA component of Program for Results on Revenue Mobilization and Public Resource Management. Subsequently, all project under implementation will share costs of operating the SSU. Financing Agreements for pipeline projects will include provisions for use of project proceeds to pay for the operation of the SSU including allowances for government officials assigned to the SSU.

The FD will be the main implementing agency for the Technical Assistance Component. The Reform Working Group (RWG) will act as the Program Steering Committee and will oversee implementation of activities under this component as part of its strategic oversight role over the Program. The KPITB and the will support quality assurance on IT specification and the work of consultants. The PCU in the FD will be will be responsible for the coordination of the TA Component as well as for overseeing the implementation of capacity support activities supporting all the result areas. The PCU will be staffed with a Program Coordinator and technical specialists either hired competitively or seconded from the GoKP, whenever necessary.

The PCU will have the following responsibilities: coordinating implementing departments; monitoring progress and results indicators; monitoring implementation the Program Action plan; ensuring Third Party Verification; assuring compliance with fiduciary obligations; submitting withdrawal applications. The PCU will prepare a Work Plan covering all the components of the TA. The WP will describe activities, their timelines and budget. Similarly, each department benefiting from the TA will prepare a WP and submit to the PCU for review and onward transmission to the World Bank, before the approval of the Reform Working Group before the beginning of every Financial Year. A completion report of activities undertaken by the departments during the year will similarly be prepared and submitted for review and approval.

Procurement arrangements
Procurement for the IPF component of the Program will be carried out in accordance with the World Bank's Procurement Regulations for Borrowers for Goods, Works, Non-Consulting and Consulting Services dated July 1, 2016; revised August 2018 (Procurement Regulations). The Project will be subject to the World Bank's Anticorruption Guidelines, dated October 15, 2006, and revised in January 2011 and July 2016. A simplified Project Procurement Strategy Document (PPSD) shall be prepared by Finance Department with support of the World Bank. The PPSD will inform the overall procurement and contract management approach. Key procurement activities under the TA and capacity building component include BPR consultancy, implementation of e-government functionality as well as consultancy and non-consultancy services such as website enhancements (intranet), provision of related transparency portal (extranet), and related goods. The World Bank's Systematic Tracking of Exchanges in Procurement (STEP) planning and tracking system, shall be implemented to also monitor procurement implementation performance.

The Project Steering Committee (PSC) will provide high-level guidance and regular oversight of GPP activities. The PSC is led by the Additional Chief Secretary of KP. To ensure timely oversight by the PSC, will meet bi-annually. The PSC will review implementation progress and provide guidance for moving forward, including to revise the Project Operations Manual.

The Project Coordination Unit (PCU) will be headed by the Coordinator and supported by Financial Management Specialist, Procurement Specialist, M&E Specialist and other PCU staff as per the requirement.

14	**Additional Project/ decision to maximize socio economic benefit from the proposed Project.**	Nil

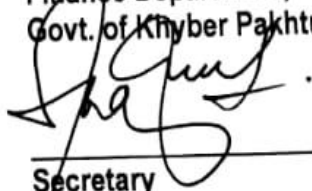| 15	Certified that the project proposal has been prepared on the basis of instructions provided by the Planning Commission for the preparation PC-I for Social Sector Project.	Certified that the PC-I has been prepared according to Planning Commission guidelines.

Prepared by:

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