



Endline Evaluation Report of Sub-National Governance Programme (2019-25)

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Authors:

Dr. Irfan Ahmad Chatha
Aliya Ali Khan
Junaid Zahid

Led By:

Suleman Ghani

Contributors:

Dr. Sajid Amin Javed
Dr. Sohaib Aqib
Ahad Nazir
Atteq ur Rehman
Asim Zahoor
Maheen Rehan
Abdullah Khalid

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Mailing Address: PO Box 2342, Islamabad, Pakistan.

Telephone: +92 (51) 2278134, 2278136, 2277146, 2270674-76

Fax: +92 (51) 2278135

www.sdpi.org

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Executive Summary

The Sub-National Governance Programme - II (SNG-II) was a £32 million technical assistance initiative funded by the Foreign and Commonwealth Development Office (FCDO), running from 2019 to 2025. Building on the foundation of SNG-I, the program aimed to deliver systemic and institutional support to the governments of Khyber Pakhtunkhwa (KP) and Punjab. The primary goal was to strengthen core governmental processes, including planning, budgeting, and fiscal management, to enhance institutional capacity and promote transparency. The key workstreams focused on Planning and Budget reforms, Institutional Strengthening, Fiscal Space (revenue generation/efficiency), Local Governance and Innovations.

This end-line evaluation was commissioned to provide a comprehensive assessment of the programme's overall effectiveness and implementation dynamics. It adopted a rigorous mixed-methods approach anchored in the OECD-DAC criteria (Relevance, Coherence, Effectiveness, Efficiency, Impact, and Sustainability). The evaluation's methodological depth was ensured through several core analytical dimensions, including assessing Implementation Fidelity, analysing internal Feedback Mechanisms, and identifying Contextual Enablers and Barriers across both provinces. The process utilised extensive qualitative data from Key Informant Interviews (KIIs), Focus Group Discussions (FGDs), a light touch Beneficiary Validation Survey (BVS) and comprehensive programme/administrative documents.

The evaluation was structured to meet three critical objectives: (a) Support Accountability for Results for FCDO; (b) Inform Future Reforms and strategy development by identifying scalable interventions; and (c) Assess Initiatives and Modalities - pinpointing effective practices. This dual focus on impact and process allowed the evaluation to determine not only *what* results were achieved, but also *how* those outcomes emerged, ensuring the findings guide future TA programmes and policy decisions effectively.

Key Findings

Impact tracking/attribution is constrained by exogenous factors beyond its control. SNG-II's impact indicators did not yield a clear attribution narrative: the EIU Democracy Index fell from 4.17 to 2.84 (Government Functioning 5.36 to 4.29), reflecting broader political upheavals outside programme control, while MPI trends could not be tracked because the PSLM survey underpinning MPI was last conducted in 2019–20. Outcome signals were mixed and require caution: nominal local government spending increased (Punjab PKR 345bn→796bn; KP PKR 164bn→304bn) amid exceptionally high inflation; aggregate expenditure outturn rose above 100% (Punjab 89%→109.1%; KP 84%→110.8%); citizen satisfaction surveys were discontinued after repeated, stable findings. Reported fiscal space of £1.9bn is not fully verifiable from published budgets, though the qualitative evidence supports the plausibility of key drivers (commodity-debt savings, recovery of federal dues, expanded taxation, and stronger local OSR).

Even with these measurement limits, SNG-II delivered strong systems gains across FCDO's four intermediary outcomes. In both provinces, it shifted economic-governance functions from ad hoc practice to standards, digitised workflows, and routine performance visibility: Punjab embedded PARA and strengthened traceability through SMDP digitisation; KP improved monitorability via output-based budgeting, dashboards, performance reporting, and clearer Planning Cell roles. It supported fiscal decentralisation and local service models through LGMIS/OSR digitisation (Punjab) and repeatable local governance routines plus scalable solid-waste pilots backed by legally enabled fees (KP). Revenue/expenditure efficiency improved through compliance and cash/commodity/pension reforms (Punjab) and stronger KPRA capacity, fiscal-risk routines, and targeted rationalisation (KP). Transparency advanced via stronger budget artefacts and audit trails (Punjab) and fiscal-risk statements, dashboards, and consultations (KP), with durability highest where reforms created institutional homes, and repeatable routines.

The Programme operated for six years (2019-2025) as a living and adaptive reform process, fundamentally evolving beyond its initial design as a static supply-side intervention. Conceived as a continuation of SNG-I, the program initially established a full governance stack (PFM, Fiscal, Innovation) in both KP and Punjab. However, it quickly demonstrated contextual responsiveness by reacting to external events: it added Social Protection and Climate Change amongst the outputs in response to Covid-19 and floods. The program's inherent flexibility was a major strength, allowing SNG-II to stay relevant, avoid idle time, and move beyond mere capability building toward execution and institutionalisation by seizing policy windows aligned with government demand.

Output 1.1: Improved planning capability (Punjab and KP)

SNG-II substantially modernised planning systems by strengthening appraisal quality, formalising planning roles and processes, embedding cross-cutting lenses (climate, gender, inclusion), and digitising workflows (especially in Punjab). The strongest gains occurred where reforms shifted from templates to enforceable routines. Key results include:

- **PARA standards and risk-aware appraisal:** Introduced structured appraisal across financial, economic, social, environmental and climate dimensions; notified in Punjab; less fully institutionalised in KP.
- **Institutionalisation through manuals and roles:** Revised Planning Manual in Punjab; KP Planning Manual 2022; KP Planning Cell ToRs across 21 departments, converting informal practice into documented responsibilities.
- **Capacity building:** Planning officer training created a capable cadre, but knowledge diffusion remains partial, indicating a need for recurring in-service and promotion-linked training.
- **Digitisation in Punjab:** SMDP/PC-1 workflow and automation of funds release strengthened traceability and reduced processing time significantly (reported ~21 days to ~3 days, sometimes 1 day).

- **KP allocative tools and performance links:** District ADP evaluation scorecards improved scheme screening; RTPSC performance systems strengthened data for planning feedback loops.
- **Implementation modality:** Embedded TA and departmental working groups consistently enabled real adoption; statutory notifications/manuals improved durability; grant-based TA sometimes constrained perceived ownership.

Outputs 1.2 & 1.3: Budget making and execution (Punjab and KP)

SNG-II helped convert PEFA-informed diagnostics into integrated, rule-based budgeting and strengthened execution discipline through laws, permanent units, dashboards, and improved cash/debt routines. The core shift was breaking the current vs development divide and forcing whole-of-sector trade-offs under unified ceilings. Key results include:

- **Legal backbone:** PFM Acts and supporting rules clarified roles, mandated multi-year budgeting and risk reporting, and provided enforcement cover for fiscal discipline.
- **Integrated budgeting institutionalised:** Unified ceilings; joint/integrated budget committees; finance workflow restructuring (sector desk clustering) to make integration functional.
- **Capability consolidation:** Strengthened permanent units (PFM units, DMUs, PPP risk units, corporate governance/corporate finance functions) to carry complex tasks beyond the programme.
- **Performance visibility:** OBB strengthening, dashboards and scheme mapping (800+ schemes) increased evidence in sector reviews and cabinet processes.
- **Cash and debt management:** Identification of idle balances, treasury strengthening and portfolio reviews improved in-year execution and reduced holding costs.
- **Inclusion entry points:** Consultations and structured stakeholder inputs broadened participation; tagging frameworks advanced but need stronger fiscal anchoring.

Output 2: Institutional delivery capacity for social protection (Punjab and KP)

SNG-II shifted social protection from fragmented schemes toward governable systems: policies, strategies, registries, SOPs, financing concepts, and expenditure visibility tools. The strongest contribution was shortening the distance between policy intent and operational delivery. Key results include:

- **Policy and strategy frameworks:** Punjab and KP developed/updated social protection policies and strategies that align the sector with planning and finance cycles.
- **Shock-responsive architecture:** Punjab's RISE strengthened preparedness and clarified crisis response roles.

- **From scheme ideas to operating systems:** Design documents for schemes (eligibility rules, SOPs, manuals) improved auditability and portability to other financing platforms.
- **Targeting and data systems:** Punjab’s PSER and data exchange with BISP strengthened targeting and reduced duplication risks; spatial vulnerability work supports fairer regional allocation.
- **KP expenditure visibility and institutional clarity:** SPETS and dashboards created a code-level view of spending; Rules of Business work and an SPA blueprint addressed institutional overlap; disaster risk financing strategy strengthened resilience.

Output 3: Fiscal space (OSR and expenditure efficiency)

SNG-II supported fiscal space through (i) stronger OSR administration and compliance systems, and (ii) expenditure efficiency via liability management and fiscal risk routines. Results were strongest where reforms were sequenced from diagnosis to law to routine operations. Key results include:

- **OSR administration and legal robustness:** PRA/KPRA reforms strengthened due process, audit logic, and modern enforcement tools (including bank-mediated approaches for emerging digital/foreign services).
- **Pilot learning and course correction:** Technology pilots clarified what scales; reforms increasingly shifted from donor-provided hardware to enforcement and institutional ownership.
- **Expenditure efficiency and fiscal risk routines:** Contributory pension reform and commodity/cash management actions improved visibility and reduced fiscal pressure; KP fiscal risk statements and SOE oversight tools improved anticipatory adjustment.
- **Data integration:** SNG-II lowered institutional resistance and enabled proof-of-concept exchanges, but systemic API-based integration did not fully materialise due to digitisation, data quality, identifier and incentive constraints.

Output 4: Local governance

SNG-II strengthened local fiscal governance and service delivery viability through financial systems, OSR modernisation, citizen engagement tools, and politically feasible sequencing in service-fee reforms. KP’s embedded district model supported deeper downstream uptake; Punjab’s system-level approach was effective given local government constraints. Key results include:

- **Local financial systems:** LGMIS in Punjab brought local governments “on system,” improving visibility and control.

- **OSR modernisation:** Digitisation and GIS-enabled reforms expanded municipal revenues; KP TMAs updated tax schedules and user charges through defensible public processes.
- **Service delivery pilots (SWM):** Demonstrated the “service first, then legalise the fee” sequence; low-capex models improved viability but scaling depends on clear jurisdiction and financing decisions outside local control.
- **Citizen engagement institutionalised:** Guidelines adopted and embedded in provincial training systems; rules and legal frameworks supported operationalisation.

Accountability and Inclusion (cross-cutting workstream)

SNG-II’s cross-cutting Accountability and Inclusion theme helped Punjab and KP move from formal, policy-level commitments on gender and inclusion to practical, evidence-based routines in planning and budgeting. Building on SNG-I foundations, the programme embedded inclusion requirements into core government systems - introducing inclusive markers in planning, strengthening PC-1 appraisal to require gender-disaggregated evidence and social/vulnerability analysis, institutionalising citizen engagement and pre-budget consultations, and developing methods to track planned and actual spending on women, girls, minorities and other vulnerable groups. Delivered through an embedded and responsive TA model, A&I advisors also supported other workstreams - especially needs assessments and social protection design - helping governments “hardwire” inclusion into day-to-day decision-making rather than treating it as an add-on.

Political Economy

SNG-II operated in a governance environment where incentives often favour discretion, and fragmented mandates, especially around ADP entry, budget allocations, enforcement of taxes and fees, and social protection targeting. Within this context, the programme’s most important political economy contribution was to shift decisions from informal negotiation to rule-bound routines that are harder to reverse and easier to audit. This shift was achieved by (i) introducing digital gatekeeping and traceability in planning, most visibly through Punjab’s PC-1 digitisation and workflow discipline and the institutionalisation of appraisal standards; (ii) creating forced trade-offs under integrated ceilings and joint budget processes that reduced the scope for parallel “current vs development” bargaining; (iii) making social protection more politically durable by turning schemes into governable operating systems with registries, eligibility rules, SOPs, and expenditure tracking that allow Finance and Planning to see, negotiate, and defend allocations; and (iv) advancing politically feasible local revenue–service bargains through sequencing and consent, particularly in KP, where TMAs updated tax schedules using council processes and public notices and where solid waste models followed a service-first, then fee-legalisation pathway.

Value for Money

Evidence supports an overall VfM judgement of Good to Very Good. Economy was achieved through a lean embedded model, use of local expertise rather than high-overhead delivery. Efficiency was strengthened through co-location that reduced cycle times, hybrid teams that lowered rework and improved procedural legitimacy of outputs, and adaptive work planning that kept technical effort aligned with real decision windows during shocks. Effectiveness was high because many outputs were institutionalised into laws, manuals, notified processes, and system routines, extending benefits beyond the programme period and enabling recurring fiscal and governance gains. Equity was embedded as a cross-cutting feature of core systems, with gender and climate tagging, registry-based targeting, and consultative entry points integrated into planning, budgeting, and social protection, rather than treated as a stand-alone add-on.

DAC Findings

Across Outputs 1–4 and the cross-cutting Accountability and Inclusion (A&I) theme, the programme performed strongly where it helped shift discretionary, relationship-driven practices into rule-bound routines. This was achieved through (i) standard setting (e.g., PARA standards, manuals, notified processes), (ii) digitised workflows that created traceability and reduced scope for ad hoc decision-making (e.g., PC-1 submission workflow/SMDP in Punjab), and (iii) embedded technical assistance that translated reform ideas into daily operating practices inside P&DDs, Finance Departments, and partner institutions. The programme also remained adaptive to macro-fiscal volatility and political disruption, maintaining a reform trajectory while responding to crisis demands (e.g., COVID-era fiscal and revenue pressures) through applied analytics and practical problem-solving.

Relevance: The programme remained highly relevant by targeting binding constraints repeatedly identified by provincial governments: weak appraisal and prioritisation in planning, fragmented budgeting and limited fiscal discipline, exposure to fiscal risks and contingent liabilities, low own-source revenue (OSR), and under-developed, shock-responsive social protection systems. In Punjab, relevance was anchored in planning modernisation through digitised PC-1 workflows and improved appraisal (PARA), alongside PFM reforms rooted in a province-owned PFM reform agenda. In KP, relevance was driven by the need to move from ad hoc practices toward institutionalised planning and budgeting routines - supported through clarified planning functions (Planning Cell ToRs and a Planning Manual) and legislative/system strengthening in finance and debt management. Across both provinces, the programme’s responsiveness during periods of fiscal stress strengthened relevance by addressing immediate pressures without abandoning core governance reforms.

Coherence: Coherence was strongest where reforms were designed and delivered as an integrated chain - linking strategy and policy intent to tools, workflows, and routine decision points - rather than as stand-alone activities. Planning reforms were connected to budgeting and implementation through strengthened appraisal, risk screening, clearer responsibilities, and more standardised project development pathways. The programme

also complemented wider donor and government initiatives by focusing on “soft systems” (rules, governance arrangements, institutional design and operating procedures) that enabled and protected larger investments in infrastructure, digitisation, and service delivery supported by other partners. This alignment reduced duplication and increased the likelihood that reforms were used, not just adopted.

Effectiveness: Effectiveness was highest where reforms were embedded into everyday work and converted into governable operating systems. In planning, this included institutionalisation of appraisal and risk assessment (PARA), digitised submission and scrutiny processes (including Punjab’s PC-1 workflow/SMDP), and clearer functional mandates for planning cells in KP. In PFM, effectiveness was reflected in strengthened fiscal discipline and improved predictability through tighter processes and, where applicable, legal and procedural anchors. In OSR and local governance-related areas, effectiveness was strongest where reforms combined administrative feasibility with service-facing incentives - supporting revenue-service bargains and practical digitisation that improved transparency and compliance. Within social protection, effectiveness was evident where systems became more shock-responsive and operationally coherent (e.g., improved registries, targeting approaches, and mainstreamed inclusion considerations). The A&I theme was most effective where inclusion was not treated as an add-on but integrated into core systems - through tagging, templates, guidelines, and institutional training pathways.

Efficiency: The programme demonstrated strong efficiency through a lean, embedded delivery model that reduced transaction costs and accelerated reform cycles. Co-location and day-to-day engagement with government counterparts enabled faster iteration, reduced rework, and supported timely problem-solving around decision windows (e.g., budget and ADP cycles). The use of local expertise and hybrid staffing helped maintain continuous technical presence at lower overhead, while targeted use of short-term specialists addressed specific gaps without creating parallel structures. Efficiency gains were most visible where digitisation and standardisation reduced process delays and improved traceability across approvals, reporting, and execution.

Impact: Impacts were primarily expressed as system changes that improved how provincial governments plan, allocate, and manage public resources, and how they deliver or enable services - rather than as isolated policy outputs. In planning and public investment management, impacts include more consistent appraisal discipline, clearer accountabilities, and improved visibility over project pipelines and execution risks. In PFM, impacts include strengthened fiscal management routines and improved decision quality under fiscal stress, contributing to better expenditure management and more credible budgeting processes. In OSR and local governance-linked reforms, impacts are reflected in improved transparency and compliance pathways through digitisation and administrative reform, supporting fiscal space for service delivery. Inclusion-related impacts were most credible where they became part of routine processes - improving the likelihood that gender and inclusion considerations influence real resource decisions and service design over time.

Sustainability: Sustainability prospects are strongest where reforms have been institutionalised into laws, manuals, notified procedures, standards, and system routines,

with clear institutional homes and continued use in routine workflows. The programme's emphasis on capacity transfer through embedded engagement - rather than reliance on one-off trainings - strengthened the likelihood of continuation, particularly where government-owned processes and data systems now "lock in" behaviours. The A&I theme is most likely to be sustained where it has been mainstreamed into planning and budgeting processes (e.g., tagging, templates, guidelines incorporated into official training curricula) rather than relying on dedicated champions alone.

Key Lessons and Way Forward

SNG-II's central lesson is that it leaves behind a proven "reform buffet" that future programmes can start from, rather than rebuilding from scratch. Over five years, it tested a wide set of technical assistance modalities - standards (such as PARA), manuals and SOPs, enabling legislation, institutional design products (including ToRs for planning functions), facilitation across agencies and vendors for systems integration, policy and concept work in social protection, and field-level demonstrations. This breadth matters because it gives government and partners a ready catalogue of reform building blocks that can be selected and sequenced to match political appetite, institutional readiness, and demand - reducing start-up inertia and improving delivery realism. A second lesson is that digital innovations can generate fast, visible gains in transparency and service responsiveness, but they become transformative only when anchored in "hard" foundations - clear rules, roles, calendars, legal mandates, and an institutional custodian - so that technology operationalises policy intent and survives turnover and transitions.

A further operational lesson is that flexible RBM works best when treated as a learning-and-delivery system: SNG-II stayed outcome-oriented while iterating milestones and sequencing based on evidence, feasibility, and shifting political economy conditions. Two delivery innovations stand out for replication - Reform Working Groups that institutionalised coordination and problem-solving inside departments, and embedded, team-based support that ensured continuity, rapid troubleshooting, and the right mix of policy, legal, systems, and implementation skills. The way forward, therefore, is not a single successor blueprint but a practical selection and packaging approach: first consolidate and "lock in" reforms already established through standards, systems, legislation, institutional arrangements, and pilots so gains are protected against staff rotations and fiscal pressure; then assemble a small number of coherent, scalable reform packages from the SNG-II menu rather than pursuing many disconnected activities. In practical terms, the next cycle should begin with one organising question: which 2-3 packages are most demanded today, and what minimal routines, systems, and capabilities are needed to institutionalise them for the long term?

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List of Abbreviations

Abbreviation	Full form
A&I	Accountability and Inclusion
ABS	Annual Budget Statement
ADB	Asian Development Bank
ADP	Annual Development Programme
AG	Accountant General
ANPR	Automatic Number Plate Recognition
BISP	Benazir Income Support Programme
BPC	Budget Priorities Committee
BVS	Beneficiary Validation Survey
CBT	Climate Budget Tagging
CEG	Citizen Engagement Guidelines
CFMS	Computerised Financial Management System
CGU	Corporate Governance Unit(s)
CPDI	Centre for Policy and Development Initiatives
COVID-19	Coronavirus Disease 2019
CSO	Civil Society Organisation
DAC	Development Assistance Committee (OECD-DAC evaluation criteria)
DC	Deputy Commissioner
DMU	Debt Management Unit
DTL	District Team Lead
EIU	Economist Intelligence Unit
ET&NCD	Excise, Taxation and Narcotics Control Department
FCDO	Foreign and Commonwealth Development Office
FGD	Focus Group Discussion
GIS	Geographic Information System
GIZ	Deutsche Gesellschaft für Internationale Zusammenarbeit (German development agency)
GoKP	Government of Khyber Pakhtunkhwa
GoPb	Government of Punjab
GBT	Gender Budget Tagging
ICF	Innovation Challenge Fund
IBCC	Integrated Budget Call Circular
IFMIS	Integrated Financial Management Information System
IMF	International Monetary Fund
IRRC	Integrated Resource Recovery Centre
JBPC	Joint Budget Priority Committee
KII	Key Informant Interview
KP	Khyber Pakhtunkhwa

KPRA	Khyber Pakhtunkhwa Revenue Authority
KPITB	Khyber Pakhtunkhwa Information Technology Board
KPSPA	Khyber Pakhtunkhwa Social Protection Authority
LG	Local Government
LG&CDD	Local Government and Community Development Department (Punjab)
LGMIS	Local Government Financial Management Information System
LGE&RDD	Local Government, Elections and Rural Development Department (KP)
LUBCA	Land Use and Building Control Act
LUMS	Lahore University of Management Sciences
M&E	Monitoring and Evaluation
MEL	Monitoring, Evaluation and Learning
MPI	Multidimensional Poverty Index
MTFF	Medium-Term Fiscal Framework
OBB	Output-Based Budgeting
OECD	Organisation for Economic Co-operation and Development
OPM	Oxford Policy Management
OSR	Own Source Revenue
P&DB	Planning and Development Board (Punjab)
P&DD	Planning and Development Department (KP)
PARA	Project Appraisal and Risk Assessment
PC-1	Project Concept 1 (planning proforma)
PEFA	Public Expenditure and Financial Accountability
PeMS	Performance Management System
PFM	Public Financial Management
PIFRA	Project to Improve Financial Reporting and Auditing
PIMA	Public Investment Management Assessment
PITB	Punjab Information Technology Board
PMDFC	Punjab Municipal Development Fund Company
POF	Partnership Opportunity Fund
PPP	Public–Private Partnership
PRIDE	Public Resource Improvement and Digital Effectiveness
PRMU	PPP Risk Management Unit
PRS	Planning Reform Strategy
PSC	Programme Steering Committee
PSER	Provincial Socio-Economic Registry
PSPA	Punjab Social Protection Authority
ReMIT	Revenue Mobilisation, Investment and Trade Programme
RISE	Responsive Investment for Social Protection and Economic Stimulus
RTPSC	Right to Public Services Commission
SDPI	Sustainable Development Policy Institute
SEED	Sustainable Energy and Economic Development Programme
SMDP	Smart Monitoring of Development Projects

SNG-I	Sub-National Governance Programme I
SNG-II	Sub-National Governance Programme II
SP	Social Protection
SPA	Social Protection Authority
SPETS	Social Protection Expenditure Tracking System
SPSS	Statistical Package for the Social Sciences
SWM	Solid Waste Management
TMA	Tehsil Municipal Administration
TMO	Tehsil Municipal Officer
TO	Tehsil Officer
TSA	Treasury Single Account
UNDP	United Nations Development Programme
VfM	Value for Money
WSSC	Water and Sanitation Services Company
WSSCs	Water and Sanitation Services Companies

Chapter 1: Introduction of the Sub-National Governance Programme

Valued at £32 million, the Sub-National Governance Programme – II (SNG-II) was a six-year (2019-2025) technical assistance initiative funded by the Foreign and Commonwealth Development Office (FCDO) for the governments of Khyber Pakhtunkhwa and Punjab. The Programme, which ended in August 2025, aimed to deliver systemic and institutional support designed to strengthen the core governmental processes, including planning and budgeting, as well as enhancing the institutional capacity to effectively utilise these reforms. SNG-II built upon the achievements of the SNG-I Programme (2014-18) in enhanced budget transparency, improved revenue generation, institutionalised budget allocations for underserved districts, increased budget allocations for education and health, and also successful pilots in both sector¹.

The key workstreams in SNG-II were:

- **Output 1 – Stronger planning, budgeting and public-financial-management systems:** focusing on improving PFM at a provincial level.
- **Output 2 – Institutions organised to deliver:** focusing on social-protection, climate, and federal delivery-unit reforms
- **Output 3 – Larger, better-used provincial fiscal space:** own-source-revenue reforms and debt / subsidy efficiencies that generate sustainable funds for priority services.
- **Output 4 – Local governance and service delivery:** supporting districts and municipalities to raise their own revenues, enforce land-use rules and pilot end-to-end solutions in solid-waste management that directly improve citizens’ daily lives.
- **Discontinued Output** – Innovation Challenge Fund piloted up novel approaches to improving evidence-based policy making and planning, governance, and action-oriented research.

In addition to the above, through a cross-cutting *Accountability and Inclusion* theme, SNG II supported the Government in creating systems and mechanisms that can sustain an evidence based, inclusive planning and budgeting process.

Overview of SNG-II’s ToC²

SNG II’s Theory of Change linked a set of targeted governance reforms (mainly on the supply side of government systems) with stronger citizen oversight (demand side), to ultimately improve how provincial and local governments plan, finance, and deliver services. The programme’s interventions were expected overall outcome of improved provision of basic services and a strengthened public perception of government performance. Over time, that would contribute to the impact level ambition of consolidated democracy in Pakistan and reduced poverty.

¹ [SNG-I Project Completion Review, Nov 2018](#)

² [Figure 2, SNG-II Inception Report](#)

The central “engine” of the ToC was a set of intermediate outcomes for major transformational change, summarised as: more resources were spent on services, and those resources were better targeted and managed. Four transformations were expected to underpin this:

1. A performance culture was created across the civil service, so delivery departments internalised performance expectations and accountability.
2. Fiscal decentralisation was enabled based on evidence of local needs, so local governments planned and budgeted credibly around community priorities.
3. Fiscal efficiency and revenue collection improved to fund those needs, so the system generated and used resources better, not only allocated them.
4. Transparency was strengthened so citizens could hold government to account, and external scrutiny reinforced better planning, budgeting, and spending choices.

To deliver these transformations, SNG II’s outputs were framed as practical building blocks: plans become more evidence based and institutions better organised to deliver; budgeting becomes more robust and transparent and spending aligns better with budgets; fiscal space increases with more resources available for service delivery; innovative approaches are developed and piloted; and the programme itself is managed adaptively, explicitly taking account of gender and conflict dynamics, collaborating effectively, and sharing programme learning.

The working model of SNG-II placed the Provincial Steering Committees at the top tier in both provinces. The PSC was led by Chairman Planning and Development Board/Department in Punjab/KP. The Terms of References of PSC were to:

- i. Help maintain strategic direction of the programme and guide formulation of Annual Work Plans.
- ii. Monitor programme implementation to ensure it remains on-track;
- iii. Review the programme’s strategic risks and ensure an action plan for mitigating these;
- iv. Take note of funds management;
- v. Facilitate strategic level lesson learning and collaboration between government and partners for mutually conducive reform outcomes;
- vi. Any other allied matter.

To take care of day-to-day interactions with the departments, Reform Working Groups were established. Each province had a Team Lead at the top, assisted by Advisors who worked on the outputs related workstreams. Key Advisors included Planning and Governance Advisor, PFM Advisor, Innovation and Action Research Advisor, Fiscal Space Advisor, Social Protection Advisor, Accountability and Inclusion Advisor, and Monitoring and Evaluation Advisor.

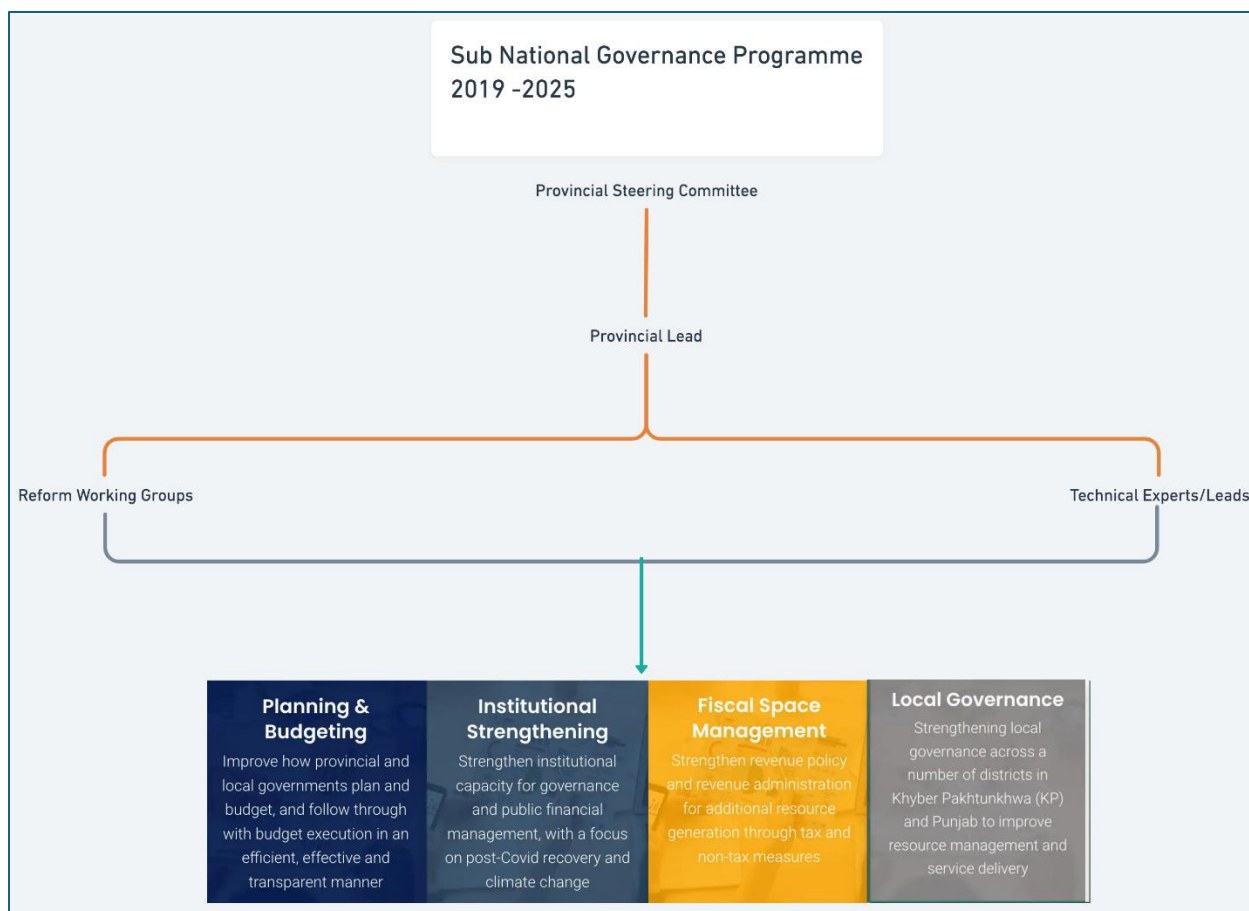


Figure 1: SNG-II Working Model

1.1. Scope and Objectives of the Endline Evaluation

This end-line evaluation is crucial to assess the programme’s overall effectiveness and capture valuable insights. Both impact and process evaluations have been carried out for gaining a comprehensive understanding of the programme’s achievements and implementation dynamics. The impact evaluation measures the actual outcomes and long-term effects of the programme, highlighting the extent to which targeted objectives were realised and providing robust accountability for results. In addition, the process evaluation offers insights into the effectiveness and appropriateness of implementation methods, technical assistance, and capacity-building activities. This dual approach has identified what worked well and what did not, pinpointing best practices and areas for improvement. The combined findings from both evaluations will guide future policy decisions, enhance strategic development, and inform the replication and scaling up of successful governance interventions by the FCDO and its development partners.

SNG-II involved two implementing partners (Oxford Polic Management – OPM and United Nations Development Programme - UNDP) and multiple stakeholders which can be broadly categorised into government departments and private sector partners.

Table 1: Key Stakeholders

Stakeholder Category	Name
Provincial Departments	<p>Punjab: Planning & Development Board, Finance Department, Punjab Revenue Authority, Excise & Taxation, Punjab Social Protection Authority, Local Government & Community Development Department.</p> <p>Khyber Pakhtunkhwa: Planning & Development Department, Finance Department, KP Revenue Authority, Excise & Taxation, Public Policy and Social Protection Reform Unit, Local Government, Elections and Rural Development, Excises, Taxation and Narcotics Control Department, KP Revenue Authority</p>
Implementation/Innovation Challenge Fund Partners	<p>Punjab: Lahore University of Management Sciences, Punjab Information Technology Board, Punjab Municipal Development Fund Company, Netracon, Red Buffer, GCS, Akhuwat Foundation</p> <p>KP: Centre for Governance and Public Accountability, GPA, Evamp, Sanga, Centre for Policy and Development Initiatives, Akhtar Hameed Khan Foundation</p> <p>United Nations Development Programme (For Output Indicator 2.2 only)</p>

The lead implementer was OPM. This evaluation covered the programme’s component implemented by OPM exclusively, which includes all the interventions except those pertaining to Output Indicator 2.2³ - meaning that the evaluation covered most of the programme. The details of all the Output Indicators are given in the Table 1. Specifically, this evaluation aimed to:

(a) Support Accountability for Results: Provide learning about the impact of the programme and achievement of outcomes to support accountability for results by FCDO.

(b) Inform Future Reforms: Inform future decisions on policy reforms and strategy development by FCDO and development partners in governance and to enable scaling up successful interventions.

(c) Assess Initiatives and Modalities – What worked and what didn’t? Assess both the effectiveness of initiatives used aimed at improving governance systems, and the modalities used to support these initiatives, at provincial and local government levels in KP and Punjab.

Table 2: Impact, Outcome, and Output Indicators of SNG-II (As per the Log Frame Published in December 2024)

Impact, Outcomes, and Outputs	Indicators
	1. Performance against Democracy Index (EIU)

³ UNDP had delivered under the Output Indicator 2.2. Since UNDP was facilitating this evaluation study (conducted by SDPI), the Output Indicator 2.2 was not covered to avoid any Conflict of Interest.

Impact: Strengthened Democracy and Reduced Poverty	2. Performance against Multidimensional Poverty Index (MPI)
Outcome: Improved Provision of Basic Services and Perceptions of Government Performance	1. Local government spending
	2. Citizen satisfaction with basic services
	3. Aggregate expenditure outturn
	4. Additional fiscal space (revenue and expenditure savings)
Output 1: PFM systems are strengthened for effective planning and budgeting	1.1. Provincial planning capability
	1.2. Provincial budget preparation capability
	1.3. Provincial budget execution capability
	1.4. Citizen engagement in planning and budgeting
Output 2: Institutions are Better Organised to Deliver	2.1. Institutional capacity to deliver; including social protection, climate change etc.
	2.2. Institutionalisation of performance management system in Federal government for improved performance
Output 3: Fiscal capacity is strengthened to enhance revenue and expenditure efficiency	3.1. Own-source revenue capacity
	3.2. Capacity to ensure expenditure efficiency
Output 4: Local level governance is improved	4.1. Local governance and PFM systems strengthened
	4.2. Local-level service delivery (end-to-end service delivery pilots)
Output 4(Dis): Innovative approaches developed and piloted (Discontinued from Year 5 onwards)	4.1(Dis). Number of action research (AR) projects implemented and evaluated
	4.2(Dis). Number of Innovation Challenge Fund (ICF) pilots implemented and evaluated

1.2. Usage of Evaluation Findings

The endline evaluation is intended not only to provide accountability for results, but also to actively inform future policy design, programme delivery models, and reform sequencing. To ensure systematic uptake and use of findings, a structured communication and dissemination plan will be implemented, tailored to the needs of key stakeholders.

Primary audiences: They include FCDO (Pakistan and central teams), provincial governments of Punjab and KP (Planning & Development, Finance, Social Protection, Local Government, and Revenue departments), implementing partners, and development partners engaged in governance, PFM, and decentralisation reforms.

Use of findings: The evaluation findings will be used to (i) support FCDO’s accountability and assurance requirements; (ii) inform the design of future governance and public sector reform programmes at sub-national level; (iii) guide decisions on which interventions and delivery modalities merit replication or scaling; and (iv) strengthen institutional learning within provincial governments by documenting what worked, what did not, and why.

Dissemination of the Findings: To enhance the outreach of report, following dissemination activities are part of the overall evaluation exercise:

- **Three formal dissemination events**, one at the federal level and one in each province (Punjab and KP), bringing together senior policymakers, the implementation partner (OPM), and development partners.
- **Targeted mailing of the report briefs** to heads of stakeholder departments.

1.3. Timeline of the Evaluation

The evaluation exercise spanned over 12 months from March 2025 to February 2026, moving systematically from inception to dissemination. It involved comprehensive stakeholder engagement, rigorous data collection, and OECD-DAC-aligned reporting to ensure evidence-based insights and learning.

- **March 2025:** Inception phase includes literature review, methodology finalization, workplan development, and submission of the inception report.
- **Apr–Jun 2025:** Data collection (quantitative and qualitative), training, and data compilation.
- **Jul–Oct 2025:** Data analysis, leading to Draft Evaluation Report
- **Nov–Dec 2025:** Stakeholder feedback, leading to this Final Evaluation Report.
- **Jan–Feb 2026:** Preparation of dissemination materials, and delivery of final presentation.

Implementation remained fully aligned with the approved evaluation plan. All phases were completed within the planned 12-month period (February 2025 to February 2026), and the evaluation’s scope, methodology, and intended outputs were delivered as set out in the inception report and workplan. No material deviations in timing, coverage, or reporting requirements occurred during the evaluation period.

1.4. Structure of the Report

Chapter 2 provides a very brief overview of the Methodology (details in Annex 1). Chapter 3 presents key findings, conclusions and recommendations according to the four Outputs and the cross cutting theme i.e. Accountability and Inclusion (A&I). Their supporting analysis is documented in the Annex 3 whereby we narrate the journey behind different interventions to capture the overall process. We also cover two key dimensions i.e. value for money and political economy in Chapter 3. Chapter 4 provides a synthesis of segregated DAC findings presented in the Chapter 3. Chapter 5 provides key lessons and way forward.

Chapter 2: Evaluation Methodology

The SNG-II endline evaluation applied a mixed-methods methodology anchored in the OECD-DAC criteria (relevance, coherence, effectiveness, efficiency, impact, and sustainability) to assess both results and the mechanisms through which reforms were achieved in Punjab and KP. The approach was structured around three evaluation objectives: accountability for results, learning for future reforms, and assessing what worked (or did not) across initiatives and delivery modalities. Rather than focusing only on “whether” outcomes occurred, the methodology emphasised “how” and “why” change happened, using process evaluation and attribution analysis to test causal claims.

Evaluation Framework: Table 2 maps how each OECD-DAC criterion is applied across the evaluation’s three purposes - accountability for results, learning for future reforms, and assessing which initiatives and delivery modalities worked (and why) in Punjab and KP. The detailed Methodology is provided in the Annex 1.

Table 3: Evaluation Framework

OECD-DAC Criterion	Objective A: Accountability for Results	Objective B: Inform Future Policy Reforms	Objective C: Assess Initiatives & Modalities
Relevance	Alignment of SNG-II objectives with government priorities in PFM, revenue, social protection, and service delivery; responsiveness to identified institutional gaps	Lessons from programme design and subnational focus for future reforms; responsiveness to evolving national and provincial priorities	Fit of TA modalities and pilots (e.g. PC-I automation, tax data integration, waste management) to local needs and service challenges
Coherence	Alignment with national reform frameworks and complementarity with other donor initiatives	Strategic fit with wider governance and donor programmes (e.g. PFM Strategy, Ehsaas, FCDO portfolio)	Degree of integration of TA and embedded teams within government systems; effectiveness of inter-departmental coordination
Effectiveness	Achievement of intended outcomes (e.g. budget execution, fiscal space, service delivery improvements)	Identification of components that catalysed policy and institutional change and cross-departmental learning	Performance of delivery modalities (embedded TA, short-term TA, delivery units); influence of team composition and contextual factors
Efficiency	Timeliness and cost-effectiveness of implementation across KP and Punjab	Scalability and replicability of delivery approaches at lower cost	Value for money and resource use across delivery modalities, including management and monitoring of embedded TA
Impact	Attributable changes in institutional capacity and service outcomes	Contribution to systemic shifts in planning, budgeting, and local governance	Spillover and unintended effects of delivery modalities; influence on institutional behaviour and norms

Sustainability	Likelihood that results will be sustained without donor support	Prospects of continuity through future programmes like SNG-II; long-term policy viability	Institutionalisation through SOPs, mentoring, handovers, and government-led mechanisms; balance between capacity transfer and dependency
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Data Collection: The data collection combined extensive desk review with qualitative and light-touch quantitative validation. Document review served two functions: mapping key reform products (strategies, acts, tools, templates, pilots, MEL outputs) and tracing the origin, sequencing, and feedback mechanisms behind reforms through correspondence, minutes, and activity records. Primary qualitative data comprised Key Informant Interviews across provincial government departments, SNG-II advisors, and Innovation Challenge Fund (ICF) partners, complemented by Focus Group Discussions in selected districts where Output 4 local governance interventions were implemented. To capture downstream perspectives, a Beneficiary Validation Survey validated citizen and beneficiary experiences in own-source revenue reforms, solid waste management pilots, and training-related capacity building interventions. The detailed section on Data Collection is in Annex A.1.4.

Impartiality, credibility, and transparency were built in through safeguards: diverse stakeholder coverage, open-ended tools, conflict-of-interest screening, SDPI’s institutional independence, formal authorisations enabling access, and a documented evidence trail (logged interviews, transcripts/notes verification, selective recording checks, and daily debriefs). Ethics and safeguarding protocols included informed consent, confidentiality/anonymisation, FCDO tool approval, and adaptive fieldwork measures during security disruptions. The details on Ethics and Safeguarding are in Annex A.1.6. Data quality assurance relied on triangulation, internal M&E oversight, multiple respondents per department, and structured mitigation of operational constraints to preserve completeness and analytical balance.

Evaluation Questions: The Evaluation Questions were based on framework presented above. An open ended key-informant interview questionnaire was used, explicitly aligned to the OECD-DAC criteria (relevance, coherence, effectiveness, efficiency, impact, sustainability) to generate evidence across stakeholders. A reference questionnaire has been presented in Annex A.1.9. The instrument also included targeted probes on gender and inclusion, institutionalisation, and post-programme use of tools/processes to assess equity and sustainability alongside core performance dimensions.

The findings based on responses to questions are presented in dual manner in Chapter 3 i.e. thematically as well as according to the DAC criteria. For instance, in Section 3.2. we document Findings, Conclusions and Recommendations related to the Planning domain (Output 1.1). DAC findings are listed in the Table 6. Same pattern is followed for the remaining outputs in the Section 3.3 to 3.6. Finally, the output wise DAC findings have been summarised in Chapter 4. The details on how we did the data analysis and triangulation process are in Annex A.1.5.

Limitations and Mitigation Measures: Fieldwork and data collection were implemented systematically, with a small number of routine, manageable constraints typical of a multi-department governance evaluation. The stakeholder departments were large as well as had technical organisational structure, so perspectives were distributed across roles. Therefore, more than one respondent was needed to capture a complete picture. Similarly, some officials engaged with SNG-II in the latter's earlier phase had moved to other departments. The schedule also required flexibility due to periodic access and availability constraints, including short pauses in on-ground engagement and competing government commitments. These were addressed through practical mitigation measures built into the design: rolling interview calendars with buffer slots, multiple interviews per institution, targeted follow-ups with current and former counterparts, selective use of virtual interviews, and strengthened triangulation through document review and advisor consultations, alongside routine internal quality assurance checks to ensure completeness and consistency of the dataset.

Chapter 3: Key Findings, Conclusions and Recommendations

SNG-II's impact level indicators were Democracy Index (EIU) and Multidimensional Poverty Index. The overall EIU score declined from 4.17 to 2.84 and Government Functioning Score declined from 5.36 to 4.29. This decline owes to political upheavals during the period and was beyond the control of SNG-II. MPI is derived using Pakistan Social and Living Standards Measurement (PSLM) Survey. However, last time PSLM was done in 2019-20. Therefore, it's hard to track MPI movements in Punjab and KP over the course of SNG-II programme.

Outcome indicators include local government spending, aggregate expenditure outturn, citizen satisfaction survey, and fiscal space. Citizen satisfaction surveys were discontinued because of constant findings across different rounds of surveys. Local government spending has increased in nominal terms but this should be read with caution as Pakistan faced highest inflation during the programme duration. Endline expenditure outturn is above 100% in both the provinces.

Table 4: Impact and Outcome Indicators

Outcome Indicator	Province	Baseline (2018-19)	Result (2024-25)
Local government spending	Punjab	PKR 345 billion (£1.4 billion)	PKR 796 billion ⁴ (£2.16 million)
	KP	PKR 164 billion (£669 million)	PKR 304 billion ⁵ (£825 million)
Aggregate expenditure outturn	Punjab	89%	109.1% ⁶
	KP	84%	110.8% ⁷

Fiscal space of £1.9 billion - as reported in the Annual Review 2025 - is not entirely verifiable through published budget documents. The factors behind that i.e. commodity debt savings in Punjab, recovery of dues by KP from the Federation, increased revenue from bringing online platforms under tax net, increases in local OSR are credible according to our qualitative assessment.

Across Punjab and KP, SNG-II made strong progress against FCDO's four **intermediary outcomes**⁸ by moving key economic-governance functions from ad-hoc, paper-based practices toward standards, digitised workflows, and routine performance visibility. **For a performance-driven civil service**, Punjab institutionalised structured appraisal through PARA (supported by guidance, trainings and master trainers) and strengthened traceability via SMDP digitisation of PC-1 and release-order workflows, while KP made budgeting and ADP implementation monitorable through strengthened output-based budgeting, scheme mapping/dashboards, and high-level use of performance reports alongside clearer Planning Cell roles through revised ToRs. **For evidence-based fiscal decentralisation**, Punjab

⁴ Source: Annual Budget Statement Punjab, 2025-26

⁵ Source: White Paper KP, 2025-26

⁶ Source: Annual Budget Statement Punjab, 2025-26

⁷ Source: Annual Budget Statement KP, 2025-26

⁸ For details Intermediary Outcome Analysis, please see Annex A.3.1.

brought local finance “on system” through LGMIS integration choices and deepened municipal OSR through digitisation and GIS-enabled enforcement (including TTIP automation and conversion-fee identification), while KP operationalised repeatable local governance routines (e.g., land-use committees) and demonstrated scalable service models - especially solid waste - where local fiscal tools (gazetted fees, council resolutions) reinforced service delivery.

For higher revenue and expenditure efficiency, Punjab advanced revenue administration and compliance tools (including digital services taxation and risk-based audit approaches) alongside reforms to pensions, commodity financing, and cash/idle-balance management, while KP strengthened KPRA’s legal and operational capacity, embedded training-linked incentives, and institutionalised fiscal-risk routines and targeted budget rationalisation supported by public enterprise oversight.

For greater transparency and citizen oversight, Punjab’s integrated budgeting (JBPCs, unified ceilings), stronger budget artefacts (budget statements, call circulars, citizen budgets) and SMDP audit trails improved visibility and accountability; KP mainstreamed fiscal risk statements into the budget cycle, strengthened performance transparency via dashboards, and broadened participation through pre-budget consultations - though influence remains constrained when consultations occur late. Overall, reforms were most durable where they created institutional homes, repeatable routines and workflow “gates,” and they translated into citizen confidence most visibly through solid waste pilots that linked reliable services with community engagement and legally enabled local revenues.

The coming sub-sections provide findings, conclusions and recommendations according to the Outputs and cross cutting dimensions like Accountability and Inclusion, Political Economy, and Value for Money.

3.1. Adaptive Programme Management

Over its six-year implementation, the Sub-National Governance Programme (SNG-II) evolved far beyond its initial design, reflecting a living and adaptive reform process rather than a static supply-side intervention. Although conceived as a continuation of SNG-I with an expected focus on consolidating provincial planning and budgeting systems, SNG-II’s outputs underwent steady transformation each year. This evolution mirrored shifting policy priorities, emerging fiscal and environmental challenges, and accumulated learning from pilots and reform experiments. What began as a set of interim support measures in Punjab⁹ gradually expanded into a comprehensive sub-national governance TA programme encompassing public financial management, fiscal space creation, innovation, and institutional strengthening across provincial, local, and even federal tiers. The programme’s output trajectory therefore offers valuable insight into how adaptive management, contextual responsiveness, and iterative learning can both enhance and complicate long-term reform delivery in complex governance environments. The following sections unpack this evolution and examine the trade-offs between flexibility, focus, and accountability.

⁹ [Output 1, Annual Progress Review, 2019.](#)

The programme began in 2019 with mobilisation and interim support in Punjab, then expanded in 2020 into a full governance stack that covered planning, budgeting, fiscal space, and an innovation track in both KP and Punjab. In 2021 it added social protection. In 2022 and 2023 it reacted to macro shocks by inserting climate finance, post-Covid recovery, and federal performance agreements. In 2024 and 2025 it re-consolidated into four families that are easier to manage. These are provincial PFM systems, institutional delivery and performance management, fiscal capacity with both OSR and efficiency, and a revived local governance line.

Table 5: Output Changes Over the Programme Duration¹⁰

Programme Phase	Key Output Shift	Rationale
Year 1-2 (2019-2020)	Mobilization → Full Governance Stack (PFM, Fiscal, Innovation)	Expansion, establishing core systems (SNG-I continuity).
Year 3-4 (2021-2023)	Adding Social Protection, Climate Finance, Federal PAs	Contextual Responsiveness to shocks and shifting macro/federal priorities.
Year 5-6 (2024-2025)	Re-consolidation into 4 Families (PFM, Performance, Fiscal Capacity, Local Governance)	Learning/Institutionalisation , streamlining the adaptive output clusters for better management.

Flexibility let SNG-II stay relevant, avoid idle time during handovers, and move from capability building to execution and institutionalisation. It also opened room to incubate practical solutions through ICF and action research. These are genuine benefits. They often raise effectiveness by matching reform effort to what government can actually adopt in a given year, rather than what was imagined at inception.

The six-year evolution of the Sub-National Governance Programme (SNG-II) serves as a compelling case study in the implementation of flexible Results-Based Management (RBM). The SNG-II design moved beyond the rigid, linear cause-and-effect model of the traditional Log Frame to embrace the political and environmental complexities of provincial governance. The core planning, PFM, fiscal space and local governance reforms stucked throughout the programme, while social protection and climate change were introduced under the institutional strengthening domain.

Recommendations

1. Build “accountable agility” into MEL. "Accountable agility" is a design philosophy that explicitly manages the tension between a donor's need for predictable results (accountability) and a governance programme's need to respond to unpredictable political and economic contexts (agility). The two-tier reporting logic operationalises this philosophy. Monitoring and evaluation should balance fixed accountability and space for experimentation. SNG-II's evolving results framework adopted this practice.

Logic: In complex governance environments, a single, rigid log frame is destined to fail. If a programme is forced to stick to original targets when a crisis hits (like the COVID-19 shock

¹⁰ A detailed list of Year Wise Outputs is given in Annex 2.

mentioned in the interview), it becomes irrelevant. If it constantly changes its targets to accommodate new priorities, it loses accountability. The two-tier system solves this:

- **Agility (Tier B):** It legally permits the programme to adapt to new government demands, political shifts, or emergent needs (like the commodity debt reform or the COVID-19 response) without compromising the core commitment. It acknowledges that the *path* to the goal will change.
- **Accountability (Tier A):** It ring-fences the foundational, systemic changes that the programme was *originally mandated* to achieve (e.g., PFM Act implementation, fiscal rules). This ensures that while the programme is flexible, it remains anchored to its core developmental purpose, preserving donor credibility.

Tier A represents the fixed logic and irreducible core of the programme's intended systemic change. Its characteristics are designed for consistency and rigorous measurement.

- **Focus: Impact and High-Level Outcomes.** This includes the foundational PFM and fiscal indicators, as well as the ultimate, albeit distal, goals (e.g., PEFA scores, MTFF adoption, the legal status of the PFM Act).
- **Consistency:** Indicators, targets, and baselines remain consistent throughout the entire programme cycle (e.g., 5-6 years). This allows for longitudinal tracking of systemic change, which is essential because institutional reform is slow.
- **Purpose:** To measure Stability and Endurance. Tier A answers the question: *Did the programme successfully institutionalise the core governance reforms it set out to deliver?*

Tier B represents the responsive, learning, and experimental space of the programme. Its characteristics are designed for rapid response and knowledge generation.

- **Focus: Responsive Outputs and Intermediate Outcomes.** This covers adaptive pilots, new innovations (like the LG FMIS rollout support), and responses to emergent government demand or shocks.
- **Flexibility:** Tier B indicators are designed to be updated, retired, or replaced as adaptations are approved. This is explicitly tied to the lesson of transparent change documentation (a "change log" reviewed by the Steering Committee).
- **Purpose:** To measure Relevance and Learning. Tier B answers the question: *Was the programme useful, and what did it learn about the political economy that can inform future design?*

3.2. Output 1.1: Improved Planning Capability¹¹

The momentum for strengthening Punjab's planning function drew from two complementary sources: the sectoral Planning Reform Strategy (PRS) 2025¹², led and technically shaped by SNG-II, and the broader Punjab Growth Strategy (PGS) 2018¹³, which provided the overarching, province-wide policy steer. Together, these frameworks redefined how development priorities were translated into budgets and ADPs. The Responsive Investment for Social Protection and Economic Stimulus (RISE) initiative - also supported by SNG-II - guided the post-COVID revision of the PGS, sharpening its alignment with fiscal realities and investment needs. The PRS grounded the reform journey in international public investment management standards - most notably the IMF's Public Investment Management Assessment (PIMA) - providing a diagnostic anchor for identifying gaps, sequencing reforms, and introducing structured tools such as medium-term budgeting, PARA standards, and digitised planning workflows.

In Khyber Pakhtunkhwa, the planning reforms began by addressing the clear institutional need: the development of standardised Terms of Reference (ToRs) for Planning Cells across 21 departments¹⁴. This provided the formalisation that the system lacked. By documenting actual practice, codifying roles, and creating a consistent province-wide framework, the reform helped transform an informal, fragmented setup into a more coherent planning cadre capable of supporting evidence-based public investment decisions.

To what extent did SNG-II strengthen the systems, tools and institutional capabilities required for effective, disciplined and evidence-based planning in Punjab and KP? The findings below synthesise the major areas where planning functions were modernised, formalised, or digitised - and where gaps remain.

1. Standardised project appraisal and risk assessment (PARA) for improving scheme quality. In both Punjab and KP, PARA Standards developed by SNG-II have provided the foundations for judgment-based approvals to structured, risk-aware appraisal covering financial, economic, social, environmental and climate dimensions¹⁵. The PARA standards have been notified in Punjab but not in KP.

2. Institutionalisation through manuals and formal roles. In Punjab, SNG-II led the revision of the Planning Manual (2015) through a structured, consultative process¹⁶. In KP, SNG-II helped develop the Planning Manual 2022, moving the province from reliance on the federal manual to a province-owned, process-focused operating system for how projects move from concept to approval and review¹⁷. In KP, SNG-II also developed formal ToRs for

¹¹ See detailed analysis in Annex A.3.2.

¹² KII: GPB01 (Secretary, P&DB, Punjab), GPB07 (Managing Director, PRMP, Punjab), SPB02 (Planning Advisor, SNG Punjab), and SPB04 (MEL Advisor, SNG Punjab)

¹³ KII: SPB04 (MEL Advisor, SNG Punjab)

¹⁴ KII: GKP04 (Former Chief IDS, P&DD, KP), and GKP06 (Former Chief Economist, P&DD, KP)

¹⁵ KII: IKP02 (KPMG), SPB02 (Planning Advisor, SNG Punjab)

¹⁶ KII: GPB03 (Chief Coordination, P&DB, Punjab), SPB08 (Additional Finance Secretary (Budget), Finance Dept. Punjab)

¹⁷ KII: GKP05 (Chief Economist, P&DD, KP), GKP06 (Former Chief Economist, P&DD, KP)

Planning Cells in 21 departments, turning informal practices into standardised, documented responsibilities with ~80–90% common core and limited sector-specific variation.

3. Strengthened planning capacity of officers, but diffusion remains partial. Training of 49 Planning Officers in Punjab created a cadre who report – even two years after the trainings were imparted - high relevance and continued use of new tools (81% saying it improved performance; 73% applying knowledge in departments). 35% of the trainees reported sharing what they learned with their colleagues¹⁸.

4. Integration of climate, gender, and inclusion into planning and budgeting. PFM systems for planning now systematically incorporate climate and gender considerations at the input/planning stage. In both provinces, SNG-II supported Climate Budget Tagging and Gender Budget Tagging, integrating cross-cutting lenses into PC-1 templates, appraisal practices and planning routines. However, the system needs further development of downstream tracking and feedback loops¹⁹.

5. Digitisation of planning and funds release processes in Punjab. The Smart Monitoring of Development Projects (SMDP) portal transformed PC-1 processing from a paper-based, fragmented system to an integrated digital workflow for project identification, appraisal, approval and monitoring. Automation of funds release orders (including supplementary and technical grants) reduced processing time from around 21 days to 3 (sometimes 1) days, removed the manual audit copy step, and introduced audit trails and process histories²⁰. The system introduced Climate Budget Tagging and a Marginalisation agenda (including mandatory gender fields in PC-1s), embedding PFM-relevant tagging into the planning process.

6. Tools for allocative efficiency and prioritisation at district and sector level in KP. The standardised evaluation scorecard for district ADP schemes created an objective, multi-criteria mechanism (SEI and ETI) for screening and ranking schemes, reducing ad-hocism in local investment decisions. Furthermore, sector-specific frameworks like the KP Urban Policy and Housing Policy tie infrastructure and housing investments to clear policy directions, risk management, and regulatory clarity (e.g., resolving conflicts of interest in regulators vs providers)²¹.

7. Strengthened data and performance systems in support of planning. Support to the Right to Public Services Commission (RTPSC) in KP introduced a Performance Management System (PeMS) and improved data architecture for tracking service delivery²². This positions RTPSC and concerned departments to use real-time, digital performance information in planning and reprioritising services, closing the loop between PFM, service performance and future ADP design.

Beyond the technical products themselves, the effectiveness of SNG-II ultimately depended on *how* the support was delivered. The following findings distil the process and

¹⁸ See Annexure for further details.

¹⁹ KII: GPB09 (Special Secretary, Finance Dept. Punjab), and IPB03 (DG (E-Gov.), Director and Joint Director, PITB, Punjab)

²⁰ KII: IPB03 DG (E-Gov.), Director and Joint Director, PITB, Punjab)

²¹ KII: GKP07 (Former ACS, P&DD, KP), and SKP02 (Team Lead and Governance Advisor, SNG KP)

²² KII: SKP01 (MEL Advisor, Monitoring Associate and Comm Advisor, SNG KP)

modality choices that most influenced reform uptake, ownership, and long-term sustainability:

8. Embedded, adaptive technical assistance was the strongest enabler of reform uptake. Across both provinces, SNG-II's embedded experts - working physically inside the Planning & Development Departments - allowed reforms such as PARA standards, PC-1 digitisation, PRS development, and Planning Manual revisions to be grounded in actual administrative practice, not external templates²³. This modality:

- built credibility with officers;
- shortened decision-making cycles;
- enabled real-time adjustments (e.g., during RISE development under fiscal uncertainty);
- ensured continuity of the reform despite turnover;
- made appraisal and planning tools more usable, accelerating adoption; and
- helped mid-course correction in terms of selection of PC-1 schemes for PARA exercise.

Importantly, the embedded TA model did not provide day-to-day operational support; rather, it focused on co-producing reformative products (such as PARA standards and appraisal tools) that departments could institutionalise and adapt beyond the programme.

9. Reform durability improved when SNG-II ensured formalisation through notifications, manuals and statutory adoption²⁴. The evaluation consistently found that outputs which have statutory nature - planning manuals, notified Planning Cell ToRs or PARA standards, and digital workflow rules – have the strongest prospects for sustainability.

10. Working groups and problem-solving platforms complemented formal steering mechanisms. While Programme Steering Committees remained procedural and compliance-driven, the departmental Reform Working Groups as the real engine of progress²⁵. These groups:

- enabled iterative feedback on toolkits and manuals;
- created action logs and follow-up systems that strengthened institutional memory;
- helped sustain reform momentum despite turnover; and
- became the de facto coordination mechanism for planning reforms.

This model of flexible, technical sub-steering arrangements was critical for advancing PC-1 digitisation, appraisal reforms, and climate/gender tagging.

²³ KII: SKP02 (Team Lead and Governance Advisor, SNG KP), IPB08 (KPMG Team Punjab), IKP02 (KPMG Team KP), GPB01 (Chief Secretary and ACS, P&DD, KP), GKP04 (Former Chief IDS, P&DD, KP), GPB04 (Chief SDGs Unit/Formal Joint Chief Economist, P&DB, Punjab), and GPB05 (Former Secretary, P&DB, Punjab)

²⁴ KII: GPB05 (Former Secretary, P&DB, Punjab), GKP06 (Former Chief Economist, P&DD, KP), GKP07 (Former ACS, P&DD, KP)

²⁵ KII: SKP01 (MEL Advisor, Monitoring Associate and Comm Advisor, SNG KP), SPB04 (MEL Advisor, SNG Punjab), GKP18 (Assistant Director, Project Director and Research Officer, PP&SPRU, KP), GPB18 (Special Secretary, Additional Secretary and Deputy Secretary, LG&RD, Punjab)

11. Grant-based TA modality limits government’s ownership. A recurring reflection from government counterparts was that the *grant-based TA model* sometimes made departments feel like “guests,” because the financial and human resource arrangements of the TA sat entirely outside government systems – an inherent feature of such programmes²⁶.

Figure 2 rates the interventions under Output 1.1. High rating means the programme largely drove the intervention and it resulted in reforms that are formally embedded in government systems or rules; Medium rating means design and management were shared with government/partners, with meaningful programme contribution but shared attribution or reforms still maturing.

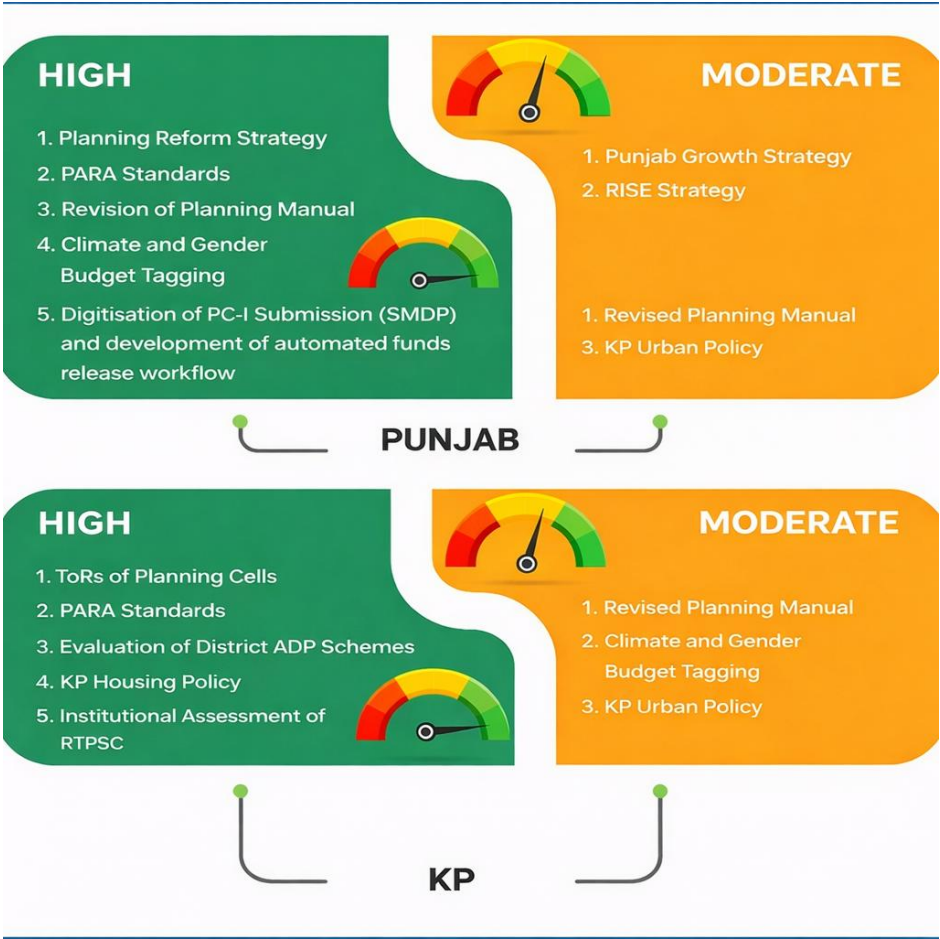


Figure 2: Attribution Rating of Planning Outputs/Interventions

Table 6 presents the evaluation findings across OECD-DAC criteria for Punjab and KP. It complements the thematic findings on planning reforms presented above in this sub-section.

²⁶ KII: GKP06 (Former Chief Economist, P&DD, KP), GKP07 (Former ACS, P&DD, KP)

Table 6: DAC Findings of Output 1.1

Criteria	Finding
Relevance – Punjab	SNG-II’s planning outputs in Punjab directly targeted clearly identified government needs: digitising PC-1 workflows, standardising project appraisal, and embedding gender and climate lenses into routine planning. They addressed real bottlenecks such as paper-heavy submissions, inconsistent appraisal depth, and weak traceability of schemes. The pivot to the Responsive Investment for Social Protection and Economic Stimulus (RISE) during COVID-19 showed strong problem–solution fit under fiscal stress. Critically, these reforms were anchored in the Planning Reform Strategy, which formally placed them within the province’s own strategic agenda and increased ownership. While some stakeholders felt social protection received relatively more attention than broader growth reforms, this reflected the immediate post-COVID and flood context and the fact that these departments could absorb support quickly.
Relevance – Khyber Pakhtunkhwa (KP)	Key interventions - such as the KP Planning Manual, standardised Terms of Reference for Planning Cells across 21 departments, and Project Appraisal and Risk Assessment (PARA) tools - responded directly to the needs for modernise planning processes, formalise roles, and strengthen appraisal quality under macroeconomic volatility. Flexibility to take on urban policy and housing policy further enhanced the usefulness of programme. Relevance was further reinforced through jointly agreed annual workplans, which were finalised through structured consultations between the programme and government counterparts, ensuring that reform supply remained tightly aligned with expressed demand, evolving priorities, and real-time institutional capacity.
Coherence – Punjab	The reforms in Punjab showed strong internal coherence by explicitly linking upstream strategy (Punjab Growth Strategy, Planning Reform Strategy) to downstream execution. PC-1 automation, appraisal standards and tagging reforms connected scheme design to budget preparation, release and monitoring.
Coherence – KP	Internally, the programme’s strongest coherence came from a stable PFM/results core while allowing delivery to adapt (embedded help, toolkits, TORs). Externally, coordination with Sustainable Energy and Economic Development (SEED) programme rationalised the division of labour on pension reforms with SEED taking the lead, and the appraisal work aligned with the PFM Act 2022 (Chapter -V)/PEFA direction.
Effectiveness – Punjab	Results were strongest where tools were embedded in everyday workflows: the SMDP/PC-1 digitisation increased visibility and routing discipline; appraisal templates and checklists raised the quality threshold; and revised formats normalised gender and climate considerations. Embedded support enabled hands-on problem solving, helping departments revise weak PC-1s before submission.
Effectiveness – KP	Most effective results clustered where SNG-II codified existing practice and worked side-by-side on live files: Planning Manual adoption, 21 department-specific ToRs, and on-the-job appraisal support. The risk-aware toolkit and daily presence improved real-time problem-solving and led to PC-1 revisions. Project appraisal related training modules for new inductees were acknowledged and appreciated but the respondents flagged that the real planning decisions are carried out by mid-career or senior officials. Such courses should be included in their promotion-linked trainings as well.
Efficiency – Punjab	A major source of efficiency was SNG-II’s hybrid staffing model, pairing serving civil servants with technical experts. Civil servants understood P&D’s culture, pace and decision routines, enabling quick resolution of file-level frictions and alignment with the ADP calendar, while technical experts contributed methods, standards and tool design. This combination allowed reforms in appraisal, tagging and digital workflows to gain

	traction in a department otherwise dominated by large brick-and-mortar schemes, showing good value for money in a “soft” reform space.
Efficiency – KP	In KP, replacing one-off workshops with embedded coaching across full ADP/PC-1 cycles was an efficient modality, as learning and delivery progressed together. Standardising Planning Cell ToRs with a common core plus light customisation avoided unnecessary reinvention, and tools were reused across departments.
Impact – Punjab	The package of reforms in Punjab has begun to shift behaviours and norms. Officers increasingly use structured appraisal tools, tagging and digital routing; PARA standards have been adopted with statutory backing; and downstream initiatives such as the Climate Finance Unit can now draw on the new classification and tagging logic. The most durable impacts are seen where reforms were formalised through manuals, notifications and routine approval steps, anchoring improvements in the institutional fabric rather than in individuals.
Impact – KP	In KP, SNG-II’s most enduring impact is the transformation of planning from a loosely organised, federal-manual-dependent process into a coherent, province-owned operating framework. The KP Planning Manual, Planning Cell ToRs and risk-based appraisal standards now give officers clear steps, defined responsibilities and standard tools for assessing fiscal, social and environmental risks. Routine tasks such as concept clearance, PDWP preparation and cost revision follow more predictable workflows, making planning more evidence-based and less personality-driven, with system-wide gains in quality and consistency.
Sustainability – Punjab	Sustainability prospects in Punjab are strong where products have statutory value and clear institutional homes. The revised planning manual, notified PARA standards, climate-gender budget tagging, and digitised PC-1 workflow are embedded in official procedures, owned by specific units and supported by routine budgets. These features give them a structural life beyond SNG-II. Some gaps remain - such as the need for a formal gender focal function, stronger data governance for SMDP and a small empowered forum in ECA/PRMPU - but the core planning reforms have a solid foundation for long-term continuity.
Sustainability – KP	In KP, sustainability is strongest where products were owned, notified and housed in permanent institutions (Planning Manual, ToRs, toolkits), which provides a solid base for continuation. Notwithstanding the significance of induction level mandatory trainings, interviewees highlighted structural risks: without promotion-linked specialist training for the Provincial Planning Service (including regularised staff), skills and practices may erode over time.

Conclusion

Taken together, these findings show that SNG-II made substantial progress in modernising provincial planning systems by improving appraisal quality, formalising institutional processes, embedding cross-cutting lenses, and introducing digital workflows. At the same time, the programme’s experience reveals that the sustainability and depth of these reforms depended heavily on *how* they were delivered through embedded technical support, statutory adoption, flexible working groups, and clearer mechanisms for government ownership. These lessons point to a set of strategic opportunities for future programmes to consolidate gains, address remaining gaps, and further strengthen provincial planning and public investment management systems. The recommendations below translate these insights into practical next steps.

Recommendations

1. Strengthen risk-aware appraisal. Building on SNG-II's foundational work in introducing and improving PARA standards, future programmes can further deepen risk-aware appraisal across provinces. One priority is to institutionalise risk analysis as a mandatory component of every PC-1 submission. This can be achieved by requiring short, standardised risk artefacts - including foreign exchange (FX) and inflation sensitivity analyses for macro-exposed projects - as part of the PDWP entry criteria. To ensure this becomes a routine, sustainable practice rather than a consultant-driven exercise, responsibility for preparing and validating the risk artefacts should be assigned to existing public-sector institutions such as the Punjab Economic Research Institute (PERI) and the provincial Bureaus of Statistics, both of which operate under the Planning Departments. Embedding the function within these institutions will help mainstream risk-based appraisal and reinforce evidence-driven investment decision-making.

2. Push quality to line departments. The initial focus on improving appraisal standards in the Planning and Development (P&D) Department is the essential "bread and butter" for efficient resource allocation, as it ensures all PC-1 project concepts are necessary, feasible, and strategically aligned before funding. By strengthening this function, the P&D Department will gain the ability to provide better, more rigorous feedback to line departments. This initiates a medium-term, reactive learning process where line departments (Health, Education, Works, etc.) are forced to rework poorly conceived submissions, eventually incorporating basic appraisal principles to avoid delays.

The strategic and long-term effective approach is to push quality to the line departments by building capacity precisely where the PC-1s are conceived. This involves transforming the relationship from one of gatekeeping to one of partnership and coaching. To achieve this, P&D must extend its appraisal toolkit and coaching directly to the subject matter experts within line departments, equipping them with the knowledge to design high-quality projects upfront.

3. Improve M&E Capacity of Planning Departments. Improved appraisal of PC-1 (Project Concept-1) is indeed one key, foundational step in the M&E capacity ladder for Planning Departments, representing the strengthened ex-ante (pre-implementation) ability to scrutinize and select projects. The PC-1 appraisal stage ensures that a project's objectives are clearly defined, its budget and timeline are realistic, the underlying assumptions are sound (the project's Theory of Change is robust), and it is aligned with broader government strategy. By enhancing their ability here, departments transition from passive administrators to active gatekeepers, minimizing waste and risk *before* funds are committed. However, this capacity remains limited to assessing the *quality of the plan*, not the quality of its execution or its real-world impact. While necessary for ensuring efficient resource allocation, it is only the starting point for a truly comprehensive performance management system.

The ultimate and most consequential step in this ladder is the ability to conduct Endline Evaluation (often linked to PC-4 or a final evaluation report). This represents the capacity for rigorous ex-post (post-implementation) assessment, which determines whether the

efficiently planned project achieved its intended outcomes and impact on the ground. By transitioning to this level of M&E, the Planning Departments will further progress towards evidence-generating strategic units, ensuring future planning is informed by data on what truly works for citizens.

4. Explore Feasibility of Planning Cadre in Punjab. Given that KP has a specialized Planning Cadre and SNG-II worked on developing the ToRs of Planning Cells, a comprehensive evaluation of the KP's experience should be done. If creating a separate cadre has been helpful, Punjab could replicate it.

5. Future programmes should provide TA for strengthening Public–Private Partnership (PPP) regimes. When respondents were specifically asked what areas future technical assistance should prioritise, they almost unanimously identified support to strengthen as a critical need. Future programmes can add value by helping governments use PPPs only where they demonstrably deliver better value than traditional public investment. This requires a systematic assessment of the capacities, mandates, and operating rules of PPP authorities, ensuring clarity on how responsibilities are divided between PPP units, line departments, and legal departments. Legal units should lead on contract design and risk allocation, while technical and financial appraisal capacity must remain anchored within the PPP authority to safeguard objectivity and protect the state's fiscal position. Strengthening these capabilities will allow provinces to pursue PPPs selectively, transparently, and with a clearer understanding of long-term fiscal commitments.

6. Preserve and strengthen the embedded, adaptive TA model To replicate the strong reform uptake achieved by SNG-II, future programmes should:

- **Deploy embedded advisors** who sit inside Planning Departments, working day-to-day on live files rather than producing external reports.
- **Institutionalise adaptive work planning**, allowing advisors to shift focus quickly when government priorities or macro conditions change (e.g., during fiscal shocks).

7. Disclose TA resource envelopes upfront to strengthen ownership, align expectations, and rationalise demand. To mitigate the guest like feeling amongst government officials, future TA programmes should adopt more open disclosures around the resources, staffing structure, and capacities available under each output or workstream. This includes sharing the number of advisors assigned, their expected level of effort, the scope ceilings for analysis or field support, and the process for reallocating resources when priorities change. Such disclosure will allow government to prioritise demands more realistically. When the government clearly understands the TA's operational bandwidth, reform planning would become more disciplined and mutually steered.

8. Mainstream PARA standards beyond induction training. The induction-level modules introduced under SNG-II on Project Appraisal and Risk Assessment (PARA) represent *new* knowledge for much of the planning and line-department ecosystem, and should not remain confined to entry-level orientation. To institutionalise PARA as a lived professional competency, future programmes should work with provincial training institutions to embed PARA modules within mid-career and senior leadership courses (e.g., Senior Management

Course, Mid-career Management Course, etc). This will ensure that officers who approve, steer, and defend major PC-1s - rather than only those preparing them - share a common risk-aware appraisal language, reinforcing compliance, quality control, and sustained uptake across the ADP cycle.

3.3. Output 1.2 and 1.3: Budget Making and Execution²⁷

Across both Punjab and Khyber Pakhtunkhwa, the reforms in budget making and execution did not emerge as isolated technical fixes but flowed directly from the PFM Reform Strategy that SNG-II helped shape at the outset of the programme. The Strategy diagnosed the structural weaknesses surfaced by PEFA assessments - fragmented current and development budgeting, weak fiscal risk recognition, limited multi-year planning, and the absence of clear institutional roles - and translated them into a coherent roadmap for rule-based, integrated, and performance-informed budgeting. The subsequent milestones in both provinces - the passage of PFM laws, integrated ceilings, Joint/Integrated Budget Committees, strengthened execution reporting, cash and debt management reforms, and the introduction of gender and climate tagging - represent the operationalisation of that roadmap rather than disconnected interventions. **The core question at hand is *whether SNG-II's support enabled provincial governments to internalise this PFM Strategy and convert it into sustained improvements in how budgets are formulated, prioritised, and executed?***

1. Strong statutory and procedural foundations for credible, rule-based budgeting. Both provinces established a legal backbone for disciplined budgeting through PFM Acts, which have formalised multi-year budgeting, clarified roles across the budget cycle, and mandated risk reporting - addressing the long-standing fragmentation highlighted in PEFA assessments. SNG-II played a hands-on role in drafting papers, preparing cabinet submissions, shaping rules, and supporting follow-on policies (e.g., Grant-in-Aid rules, fund placement rules)²⁸.

2. Integrated budgeting became institutionalised as the norm. Integrated budgeting - once fragmented between current and development budgets - has become a structural and behavioural shift across both provinces. Unified ceilings, Joint/Integrated Budget Committees, thematic clustering of finance desks, and consolidated sector reviews have replaced siloed submissions with negotiated trade-offs²⁹. These routines reduced duplication, curtailed the historical bias for new schemes, and improved the quality of prioritisation (e.g., reallocation toward maintenance rather than new projects).

²⁷ For detailed analysis, please see Annex A.3.3.

²⁸ KII: SPB01 (PFM Advisor, SNG Punjab), SKP04 (PFM Advisor, SNG KP), GPB08 (Additional Finance Secretary (Budget), Finance Dept. Punjab), GPB09 (Special Secretary, Finance Dept. Punjab), GPB10 (Former Special Secretary), GKP09 (Additional Secretary, Finance Dept., KP), GKP10 (Team Lead, DMU, Finance Dept., KP), GKP12 (Former Special Secretary, Finance Dept., KP), GKP13 (Former Special Secretary, Finance Dept., KP)

²⁹ KII: SPB04 (MEL Advisor, SNG Punjab), SPB05 (PFM Advisor, SNG Punjab), GPB09 (Special Secretary, Finance Dept. Punjab), GPB11 (Former Secretary Finance, Finance Dept. Punjab), GPB12 (PFM Specialist, PFM Unit, Finance Dept. Punjab), GKP10 (Team Lead, DMU, Finance Dept., KP), GKP11 (Special Secretary (Budget), Finance Dept., KP)

3. PIFRA Analytics–Enabled, Multi-Year MTFF Budgeting Strengthened Predictability and Credibility (Punjab). Punjab’s Medium-Term Fiscal Framework (MTFF) has become a central anchor of the annual budget cycle, but its improved credibility is rooted in an SNG-II contribution: PIFRA Analytics³⁰. By designing and institutionalising analytical dashboards that pull directly from PIFRA data, SNG-II enabled Finance Department to move from manual, consultant-dependent forecasting to system-based, in-house fiscal analysis. These dashboards generate expenditure trends, variance profiles, and forward projections that now feed directly into MTFF preparation. As a result, ceilings issued under the MTFF are more realistic, better aligned with fiscal space, and supported by consistent variance analysis.

4. Institutionalisation and capability consolidation. Supporting the shift from ad hoc teams to permanent capability is one of SNG-II’s most enduring contributions. Permanent units - PFM Units, Debt Management Units (DMUs), PPP Risk Management Units (PRMUs), Corporate Governance Units (CGUs) - were either created or strengthened³¹. These units are now homes for PIFRA analytics, debt operations, PPP risk work, monitoring, and corporate transactions.

5. Performance visibility improved through OBB, dashboards, scheme mapping, and analytics. Reworked Output-Based Budgeting (OBB), PIFRA analytics dashboards, and mapping of more than 800 schemes brought performance - and slippages - into view. Cabinet minutes and sector reviews now reference performance data in decision-making³².

6. Cash, debt, and treasury reforms. Both provinces strengthened cash management by identifying idle balances, establishing cash management cells, sweeping commercial accounts, and placing surplus liquidity in safe instruments³³. Debt Management Units and portfolio reviews improved fiscal discipline and reduced holding costs.

7. More inclusive and evidence-informed budget formulation. Public consultations, SMS inputs, business advisory mechanisms, and published chamber proposal books expanded who is heard during budget formulation. These mechanisms professionalised stakeholder inputs and occasionally translated into budget lines (e.g., survivor helpline³⁴)³⁵.

8. Progress in gender and climate tagging. Both provinces introduced gender-tagged templates, PC-1s, climate expenditure tagging, and working groups. Climate Finance Units and gender methodologies provided structure previously missing³⁶. The next frontier is moving from tagging to prioritisation, by embedding quantifiable gender and climate spending targets into MTFFs, ceilings, and performance reviews³⁷.

³⁰ KII: IPB01 (Faculty Advisor, TPI, LUMS), IPB02 (Programme Director, TPI, LUMS), GPB08 (Additional Finance Secretary (Budget), Finance Dept. Punjab)

³¹ KII: GPB12 (PFM Specialist, PFM Unit, Finance Dept. Punjab), GKP10 (Team Lead, DMU, Finance Dept., KP), SKP04 (PFM Advisor, SNG KP)

³² KII: SKP04 (PFM Advisor, SNG KP)

³³ KII: SPB01 (PFM Advisor, SNG Punjab), SKP04 (PFM Advisor, SNG KP), GPB08 (Additional Finance Secretary (Budget), Finance Dept. Punjab)

³⁴ See details in the Annexure

³⁵ KII: SPB03 (A&I Advisor, SNG Punjab) and SPB03 (A&I Advisor, SNG Punjab)

³⁶ KII: IPB03 (DG (E-Gov.) Director and Joint Director PITB, Punjab), GKP03 (Chief, SP&GM, P&DD, KP), SKP06 (Social Protection Advisor and SP Associate, SNG KP)

³⁷ KII: GPB02 (Chief Environment, P&DB, Punjab), GPB09 (Special Secretary, Finance Dept. Punjab)

What explains SNG-II's progress in strengthening budget making and execution? It was driven by a set of deliberate process and modality choices that shaped how reforms were understood, adopted, and sustained within government. The following underlying approaches influenced the coherence of the reform agenda, the functionality of integrated budgeting, and the durability of institutional changes across the budget cycle:

9. Diagnostic-anchored reform design created coherence, sequencing, and political legitimacy. SNG-II's early decision to anchor the PFM Reform Strategy in PEFA diagnostics ensured that reforms were problem-driven, logically sequenced, and politically recognisable. This diagnostic framing made it easier for provincial governments to adopt reforms, gave Punjab's Public Resource Improvement and Digital Effectiveness (PRIDE) programme a ready-made roadmap to follow, and created a shared understanding across Finance and P&D of *why* integrated budgeting, MTFs, fiscal risk statements, and execution reporting were necessary. The diagnostics-to-strategy pipeline provided the intellectual architecture for nearly all later achievements³⁸.

10. Breaking the "current vs development" divide was a foundational process reform³⁹. More than any notification, the structural decision to assign one officer to a whole sector across current, ADP, foreign-funded, and local lines changed how budgeting worked. It enabled P&D and Finance to speak a common language, allowed meaningful trade-offs, and made integrated budget committees functional rather than symbolic. This process reform was a first-order enabler of integrated budgeting and unified ceilings.

11. Institutional mechanisms - not just committees - locked in integrated budgeting. The reforms succeeded not only because Joint/Integrated Budget Committees were notified but because SNG-II supported the reorganisation of Finance workflows (e.g., ending the current/development split, clustering sector desks, enabling joint hearings). These structural adjustments made integrated budgeting real and routine, rather than ceremonial⁴⁰. Similarly, the Joint Budget Priority Committee (JBPC) process in Punjab and thematic clustering in KP enabled departments to engage in whole-of-sector trade-offs, which later allowed unified ceilings and MTF-driven allocation decisions to stick⁴¹.

12. Gradual embedding of reforms in permanent units increased sustainability. A central modality was moving products into institutional homes - PFM Units, DMUs, PRMUs, CGUs - so reforms survived staff transfers and political turnover. Once PIFRA analytics enabled MTFs, the debt operations, and PPP risk assessments sat inside formal units and the routines became easier to repeat.

³⁸ KII: SPB04 (MEL Advisor, SNG Punjab), GPB12 (PFM Specialist, PFM Unit, Finance Dept. Punjab)

³⁹ KII: SKP04 (PFM Advisor, SNG KP), GKP13 (Former Special Secretary, Finance Dept., KP)

⁴⁰ KII: SKP04 (PFM Advisor, SNG KP), GKP08 (Minister for Finance, Finance Dept., KP), GPB11 (Former Secretary Finance, Finance Dept., Punjab)

⁴¹ KII: GPB12 (PFM Specialist, PFM Unit, Finance Dept. Punjab), GKP11 (Special Secretary (Budget), Finance Dept., KP)

Figure 3 rates the interventions under Outputs 1.2 and 1.3. High rating means the programme largely drove the intervention and it resulted in reforms that are formally embedded in government systems or rules; Medium rating means design and management were shared with government/partners, with meaningful programme contribution but shared attribution or reforms still maturing.

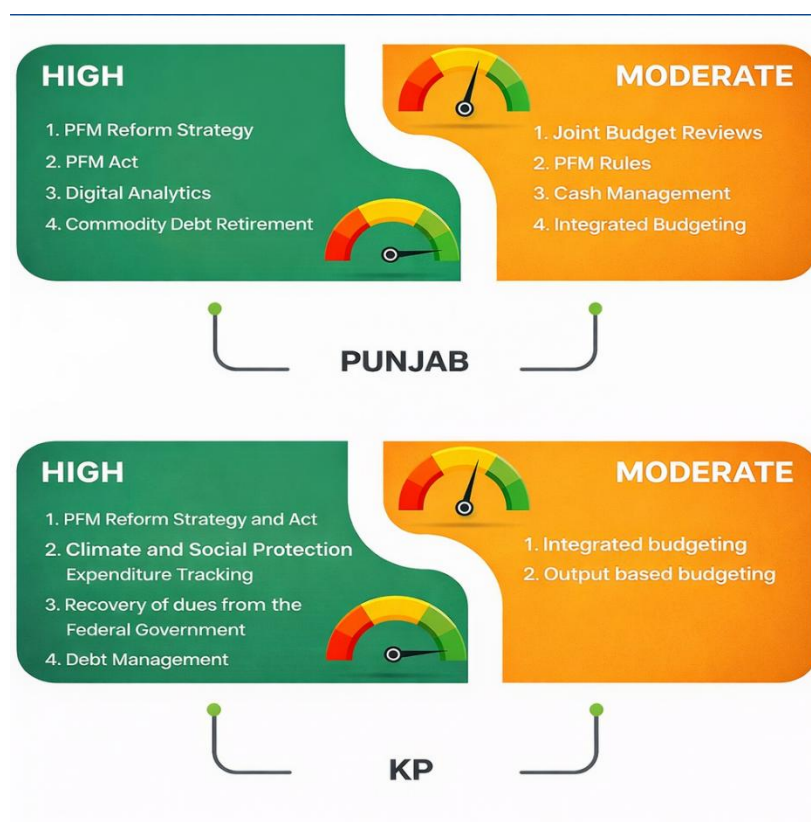


Figure 3: Attribution Rating of Budget Making and Execution Outputs/Interventions

The table below presents the evaluation findings across OECD-DAC criteria for Punjab and KP. It complements the thematic findings on budget reforms presented above in this sub-section.

Table 7: DAC Findings of Output 1.2 and 1.3

Criteria	Finding
Relevance Punjab	SNG-II's created its relevance through PFM Reform Strategy which was in turn based on PEFA diagnostics. Support on the PFM Act, fiscal risk frameworks, and unified ceilings directly addressed weaknesses. The programme's responsiveness - especially during COVID-era fiscal uncertainty - enabled Punjab to advance critical reforms such as the COVID revenue impact assessment, idle cash management, and wheat commodity debt analysis.
Relevance KP	In KP, SNG-II's support met an urgent need to shift from crisis-driven budgeting to rule-based fiscal management. Delivery of the PFM Act, Debt Management Act, fiscal risk statements, and a TSA framework directly aligned with the province's structural

	bottlenecks. Integrated sector budgeting addressed the long-standing current-development split, responding to a major design flaw that had impeded coherent trade-offs across sectors.
Coherence – Punjab	Punjab’s reforms demonstrated strong internal coherence, with diagnostic-based strategy (PFM Reform Strategy) linked to operational tools (IBCC, execution reports) and institutional arrangements (PFM Units, DMU, PRMU, CGU). The MTFF → integrated ceiling → JBPC sequence produced a unified planning-budgeting cycle. SNG-II’s participation in cross-government committees ensured technical products aligned with provincial and federal priorities and PRIDE’s DLI framework.
Coherence – KP	Coherence improved where SNG-II supported Finance and P&D to operate from shared sector views, strengthened the Integrated Budget Strategy Committee, and linked OBB outputs/KPIs to responsible owners. Dashboards, scheme mapping, and performance reports created a consistent evidence base for cabinet decision-making, reducing contradictions between current and development budgeting.
Effectiveness – Punjab	Effectiveness was strongest where SNG-II’s tools became embedded in everyday routines. A credible MTFF (powered by SNG-II’s PIFRA analytics dashboard) anchored realistic ceilings, while IBCC-issued unified ceilings institutionalised trade-offs. The PFM Act and supporting policies strengthened fiscal discipline, and revitalised units (PFM, Debt, Corporate Finance, PPP Risk) now carry specialised functions. Upgraded budget documents and routine execution reporting enhanced transparency and managerial discipline.
Effectiveness – KP	SNG-II delivered the clearest results where advisors worked on “live files” and decision windows - BSPs, budget speeches, debt/cash briefs, cabinet notes. Sector-desk restructuring improved coherence across entire sectors, and dashboards and scheme mapping provided actionable evidence that reached cabinet. These changes shifted KP’s budgeting from fragmented practice toward more informed trade-offs and fiscal discipline.
Efficiency – Punjab	Embedded technical advisors working directly on notifiable products - laws, rules, IBCC documentation, JBPC packs - reduced transaction costs and sped up approval processes. The programme’s agility allowed rapid reprioritisation as issues emerged, while formal submission pathways ensured efficient uptake. This hybrid model proved cost-effective in a reform space traditionally dominated by process-heavy approaches.
Efficiency – KP	Co-location of SNG-II advisors with decision-makers enabled rapid, iterative support aligned with the budget calendar. Debt management reforms (account mapping, fund creation, portfolio cleanup) demonstrated highly efficient use of resources, generating recurring fiscal benefits. Embedded coaching across ADP/PC-1 cycles replaced workshop-heavy approaches with continuous learning and delivery.
Impact – Punjab	SNG-II contributed to major fiscal and institutional impacts, including elimination of unsecured wheat commodity debt, multi-billion-rupee returns from idle-cash investments, and durable integrated budgeting through unified ceilings and JBPCs. Newly strengthened specialist units institutionalised complex fiscal functions, while transparency improvements (ABS, citizen budget, execution reports) enhanced public accountability.
Impact – KP	The programme helped transform KP’s budgeting from incrementalism to rule-based, risk-informed planning. Legal reforms, integrated sector desks, and fiscal risk statements created a more coherent system for trade-offs. The OSR “bundle” showed how small but strategic adjustments produced historic revenue gains, strengthening provincial resilience and fiscal autonomy.

Sustainability – Punjab	Sustainability is strongest where reforms have statutory backing (PFM Act) and institutional homes in permanent units. Practices such as IBCC ceilings, JBPC hearings, and fiscal risk statements have been embedded in the annual calendar and resilient to staff rotation. Gender and climate tagging have established procedural footholds with potential for deeper influence once linked to allocation frameworks.
Sustainability – KP	In KP, sustainability is highest where reforms are already part of routine government practice - sector-desk budgeting, annual chambers’ proposal books, fiscal risk statements, and the debt management fund. These are owned by provincial institutions and repeated yearly. Performance tools (dashboards, scheme mapping) remain sustainable where embedded in quarterly reviews and habitual desk practices.

Conclusion: In summary, SNG-II’s contributions to budget making and execution demonstrate that technical reforms gain traction only when supported by coherent strategies, structural workflow changes, and durable institutional homes. The programme’s most persistent gains emerged where diagnostics, integrated processes, and embedded capabilities reinforced one another, while reforms lacking these foundations saw uneven uptake. The recommendations that follow build directly on these insights, identifying the next generation of reforms needed to deepen fiscal discipline, enhance inclusivity, strengthen accountability, and sustain integrated PFM practices across the system.

Recommendations

1. Cash, debt, risk, and resilience as steady routines. Keep the idle-cash policy active, move TSA forward in phases, and integrate disaster and social protection tracking into the budget calendar.

2. From tagging to financing. Moving forward from the progress achieved on climate and gender budget tagging, the future programmes should push the agenda towards gender or climate financing. This would require a shift in approach from a positivist to a normative framework. The current reliance on Gender/Climate Budget Tagging (GBT/CBT) alone represents a positivist exercise: it merely identifies and tracks *what* funds are already allocated to tagged activities, focusing on measurable inputs. This method is crucial for transparency but remains *ex-post* (after the decision) and allocatively passive - it tells the government how much was spent but does not compel *why* or *where* it should spend differently in the future.

The transition to a normative approach is essential because it is allocatively active. This requires moving beyond simple tracking to mandating specific, policy-driven financial goals. The ultimate objective is to integrate the GBT/CBT methodology with a Gender/Climate Fiscal Framework that outlines provincial targets and priorities for spending. By defining a normative commitment (e.g., "5% of infrastructure spending must be climate-resilient by FY 2028"), the government transforms the tagging tool from a simple data capture mechanism into a strategic lever that directly influences the allocation and design of future budgets, ensuring resources are channeled toward achieving equitable and sustainable development outcomes.

3. Reversing centralization and devolving PFM. Despite governance programmes often focusing on democratic strengthening, the overarching trend – which is beyond the programme’s control - in recent years has been the centralization of PFM authority at the provincial level. Provincial governments are increasingly managing traditionally local-level services - such as waste management, cattle markets, etc - either by creating centrally controlled special purpose companies or through large, centrally managed ADP schemes that bypass elected local bodies. This approach undermines the spirit of the 18th Amendment and compromises the very foundation of sub-national governance. In absence of local governments constraints the decentralisation of PFM systems, the programmes should explore alternative, interim devolution pathways that preserve the intent of fiscal decentralisation. This could include strengthening district-level PFM arrangements, ring-fencing local service delivery budgets within provincial systems, delegating defined budget execution and OSR powers to municipal administrations or district offices through administrative orders, and embedding sunset clauses that automatically transfer these functions to elected local bodies once they are constituted.

4. Strengthening of Internal Audit capacity of line departments. To significantly strengthen public financial accountability and performance, it is highly recommended that all line departments establish and fully empower dedicated Internal Audit units. Currently, internal audit often remains a centralized or under-resourced function, failing to provide timely, granular oversight of specific sectoral spending. By placing auditors directly within the line departments, they can conduct real-time, deep-dive scrutiny of project implementation, operational efficiency, and financial controls specific to that department's mandate. This practical step would enable proactive risk identification and management, moving the focus from post-facto compliance to in-process value assurance, thus offering a much-needed layer of internal check that is more effective and immediate than external audits alone.

5. Future programmes should anchor reforms in government approved strategies. SNG-II’s anchored its work through PFM Reform Strategy, which created coherence, legitimacy, and a shared direction across Finance and P&D. These Strategy-backed reforms gained traction because they were then reinforced through practical workflow changes (such as ending the current/development split and clustering sector desks) and early embedding of core functions in permanent units. In contrast, reforms that relied only on notifications or committees - without Strategy-level endorsement or structural adjustments - saw weaker adoption and limited sustainability. Future programmes should therefore ensure that initial scoping or diagnostic analysis is translated into a government-approved reform strategy at the outset, and that the actions flowing from it are institutionalised through workflow restructuring and placement in permanent units.

3.4. Output 2 (Institutional Delivery Capacity on Social Protection, etc.)⁴²

Across Punjab and KP, SNG-II's strongest contribution lay in turning policy intent and programme ideas into durable institutional systems - policies, strategies, registries, rules, SOPs, and tracking tools that could survive political turnover and fiscal shocks. The findings in this section address the key question: **How far SNG-II translated social protection reforms into province-owned, routine government practice and whether this strengthened targeting, coordination, financing, and shock-responsiveness?** Rather than stand-alone pilots, reforms were embedded in routine government workflows, approvals, and budget cycles, shortening the distance between policy design and delivery.

1. Strategic direction through Policies and Strategies. In Punjab SNG-II helped revise the draft Social Protection Policy 2021. The Policy was again revised in 2024-25, with SNG-II support, to meet the new needs of social protection realm⁴³. SNG-II contributed towards development of Social Protection Strategy 2025-30. The policy and strategy will consolidate the social protection schemes into a single roadmap aligned with Planning and ADP processes⁴⁴. In KP as well, SNG-II directly supported KP's first Social Protection Policy (2022) and the Strategy (2024). Together, these instruments anchor social protection within Planning and Finance cycles, rather than treating it as a residual welfare function⁴⁵.

2. Shock-responsive social protection architecture was structurally strengthened. In Punjab, the RISE framework created a shared playbook for crisis response, clarifying roles across departments before shocks occurred⁴⁶. This enabled Punjab to move from improvisation to preparedness-based coordination, particularly in social protection, where targeting and delivery logic was pre-agreed rather than negotiated during crises⁴⁷.

3. Evolution from programme delivery to system stewardship. By developing the design documents for schemes such as Ba-Himmat Buzurg, Nai Zindagi, and Women's Income Growth and Self Reliance (WINGS), SNG-II helped Punjab Social Protection Authority translate concepts into complete operating systems - eligibility rules, benefit logic, SOPs, process flows, and manuals⁴⁸. Although COVID-19 disrupted original financing pathways for WINGS, the strong design documentation and approval trails allowed ideas to be absorbed and scaled through other vehicles (notably World Bank funded Punjab Human Capital Investment Project). This demonstrated that quality of design - not continuous funding - determined reform survival⁴⁹.

⁴² For detailed analysis, please see Annex A.3.4.

⁴³ KII: GPB20 (CEO, GM, and Director Programs, PSPA Punjab), GPB21 (Former Deputy CEO (Additional Charge as CEO), PSPA, Punjab), SPB09 (Social Protection Advisor, SNG Punjab)

⁴⁴ KII: SPB09 (Social Protection Advisor, SNG Punjab)

⁴⁵ KII: GKP18 (Assistant Director, Project Director and Research Officer, PP&SPRU, KP), GKP03 (Chief, SP&GM, P&DD, KP), SKP06 (Social Protection Advisor and SP Associate, SNG KP)

⁴⁶ KII: SPB04 (MEL Advisor, SNG Punjab), SPB09 (Social Protection Advisor, SNG Punjab), GPB20 (CEO, GM and Director Programs, PSPA, Punjab), GPB21 (Former Deputy CEO (Additional Charge as CEO), PSPA, Punjab)

⁴⁷ KII: GPB04 (Chief SDGs Unit/Formal Joint Chief Economist, P&DB, Punjab)

⁴⁸ KII: GPB20 (CEO, GM and Director Programs, PSPA, Punjab), GPB21 (Former Deputy CEO (Additional Charge as CEO))

⁴⁹ KII: SPB09 (Social Protection Advisor, SNG Punjab)

4. Two-way data exchange agreement with BISP. SNG-II supported PSPA in reviewing the data-exchange agreement with the Benazir Income Support Programme (BISP). This initiative aimed to improve the targeting and coverage of social protection programs by enabling the exchange of data between the Provincial Socio- Economic Registry (PSER) and the National Socio-Economic Registry (NSER). The agreement was approved by the Provincial Cabinet and led to expanded data exchange between BISP and PSPA (e.g. BISP has shared motor vehicle registration data with PSPA and PSPA has shared information on its beneficiaries as a result of this collaboration)⁵⁰.

5. Punjab Socio-economic Registry (PSER). SNG-II provided technical support towards the design and implementation of PSER⁵¹. PSER promises to be a highly cost-effective initiative as it allows for better targeting and hence lower leakages. The registry was recently used for the provision of Ramzan package, demonstrating how better targeting can help avoid duplication, reduce wastage, and save resources in the long run, making such systems critical for efficient social protection. Unlike previous Ramzan packages, that were criticized for its coverage and targeting inaccuracies, the performance under new registry was significantly better with very few complaints⁵².

6. Design Paper Spatial Vulnerability Index. The Spatial Vulnerability Index is designed to portray the socio-economic vulnerabilities at district level in Punjab, ranking all districts based on a composite score of risks and vulnerabilities across six dimensions (Health, Education, Economic, Demographic, Climate and Infrastructure). Though SNG undertook this on P&D's request, PSPA also provided its input and coordinated with provincial departments to obtain and incorporate comments in the first draft⁵³. PSPA then supported Bureau of Statistics in populating the data for the index. The index is expected to be used in regional resource allocation for the Annual Development Program (ADP).

7. Concept paper for the establishment of Social Protection Authority (SPA) Fund. The PSPA Act 2015 envisions establishment of a Social Protection Authority Fund. In alignment with PSPA Act 2015, PSPA developed rules for the operation of the SPA Fund. The SPA Fund aims to provide long-term, fiscally sustainable social protection for poor and vulnerable populations through annual government contributions and profits from the fund. The fund represents a critical step toward institutionalising social protection financing in Punjab and ensuring resilience in future crises. PSPA requested SNG-II for a review of these rules and a proper concept paper on the fund. SNG developed a concept paper for the establishment of the Fund.

8. Scoping Paper for the Role of Districts and Tehsils in Shock-Responsive Social Protection & Gap Analysis for Emergency Response. SNG-II developed this analytical paper to assess how various local institutions (DC offices, local governments, etc.) have historically responded to shocks and their potential roles in future shock-responsive social

⁵⁰ KII: SPB09 (Social Protection Advisor, SNG Punjab), GPB20 (CEO, GM and Director Programs, PSPA, Punjab)

⁵¹ KII: SPB09 (Social Protection Advisor, SNG Punjab), GPB20 (CEO, GM and Director Programs, PSPA, Punjab)

⁵² KII: GPB20 (CEO and GM, and Director Programs, PSPA, Punjab)

⁵³ KII: GPB20 (CEO and GM, and Director Programs, PSPA, Punjab)

protection (SRSP)⁵⁴. The paper reviewed institutional mandates, past disaster responses, and coordination mechanisms. It provided policy recommendations on how district and tehsil-level structures could be integrated into SRSP frameworks more effectively.

9. Monitoring and evaluation capacity. The programme helped PSPA revise its existing M&E Manual and standard scheme documentation shifted PSPA from people-memory to process-memory, improving comparability, internal learning, and confidence in originating new ADP schemes. The real contribution of this support is the bringing together of all social protection initiatives including those delivered by other departments. This helped make a comprehensive picture of all SP sector spend and bring coherence to SP delivery in the province.

10. Institutional roles and accountability were clarified in KP. The programme resolved long-standing ambiguity between project units and permanent government sections by proposing Rules of Business revisions, clarifying ownership, accountability, and continuity. This laid the groundwork for institutionalising reforms beyond donor-financed project structures.

11. A credible pathway to a provincial Social Protection Authority was created in KP. The blueprint for a KP Social Protection Authority provided a realistic transition plan - mandate, governance, staffing, and secretariat arrangements - giving government a unifying option for policy, financing, data, and oversight.

12. Public finance visibility and decision-making improved. Social Protection Expenditure Tracking System (SPETS), public expenditure reviews, and dashboards gave KP, for the first time, a code-level, cross-sector view of social protection spending, enabling prioritisation, trend analysis, and more informed cabinet and partner engagement⁵⁵.

12. Disaster Risk Financing Strategy of KP. SNG-II made a substantive contribution to strengthening KP's disaster risk financing architecture through its participation in the technical committee that developed the Disaster Risk Financing Strategy (2024–2034). The Strategy provides KP with a structured, forward-looking framework to access timely and cost-effective financing for disaster response, shifting the system away from reactive, ad-hoc funding toward planned financial preparedness. By embedding improvements in public financial management, promoting insurance and risk-transfer instruments, and strengthening the use of data for fiscal risk analysis, the Strategy enhances the province's institutional capacity to manage the fiscal, economic, and social impacts of disasters more predictably and sustainably⁵⁶.

⁵⁴ KII: GPB20 (CEO and GM, and Director Programs, PSPA, Punjab)

⁵⁵ KII: SKP04 (PFM Advisor, SNG KP), SKP06 (Social Protection Advisor and SP Associate, SNG KP), GKP04 (Former Chief IDS, P&DD, KP)

⁵⁶ KII: SKP01 (MEL Advisor, Monitoring Associate, and Comm Advisor, SNG KP), SKP04 (PFM Advisor, SNG KP)

What aspects of SNG-II's approach helped translate technical support into durable institutional change? The following reflects on the programme's delivery choices to understand which features of its approach most consistently supported reform uptake and sustainability across Punjab and KP:

13. Focusing on core systems before expansion strengthened institutional capacity. SNG-II's approach was most effective where it prioritised getting core systems right first - policies, rules, financing arrangements, data foundations, and tracking mechanisms - before promoting scale-up or new programmes. By concentrating on foundational elements such as social protection policies and strategies, registries, expenditure tracking, and financing frameworks, the programme helped provinces build a stable institutional base on which schemes could be expanded, adapted, or absorbed into other funding vehicles. This sequencing reduced reliance on personalities and projects and increased the likelihood that reforms would continue beyond the programme period⁵⁷.

14. Hybrid staffing and donor complementarity were enablers of reform uptake⁵⁸. SNG-II's hybrid staffing model - pairing experienced public-sector insiders with specialised technical advisors - was a critical enabler of reform uptake, as it produced outputs that were both technically sound and procedurally legitimate within government systems. At the same time, SNG-II's effectiveness increased where donor complementarity was consciously leveraged: SNG focused on soft systems, rules, and governance, while partners such as the World Bank and GIZ provided hardware, infrastructure, and specialist depth, sustaining reform momentum.

Figure 4 rates the interventions under Output 2. High rating means the programme largely drove the intervention and it resulted in reforms that are formally embedded in government systems or rules; Medium rating means design and management were shared with government/partners, with meaningful programme contribution but shared attribution or reforms still maturing.

⁵⁷ KII: GPB07 (Chief SDGs Unit/Formers Joint Chief Economist, P&DB, Punjab), SKP06 (Social Protection Advisor and SP Associate, SNG KP)

⁵⁸ KII: GPB09 (Special Secretary, Finance Dept. Punjab), GPB10 (Former Special Secretary), SPB09 (Social Protection Advisor, SNG Punjab), GPB07 (Managing Director, PRMP, Punjab), SKP02 (Team Lead and Governance Advisor, SNG KP)

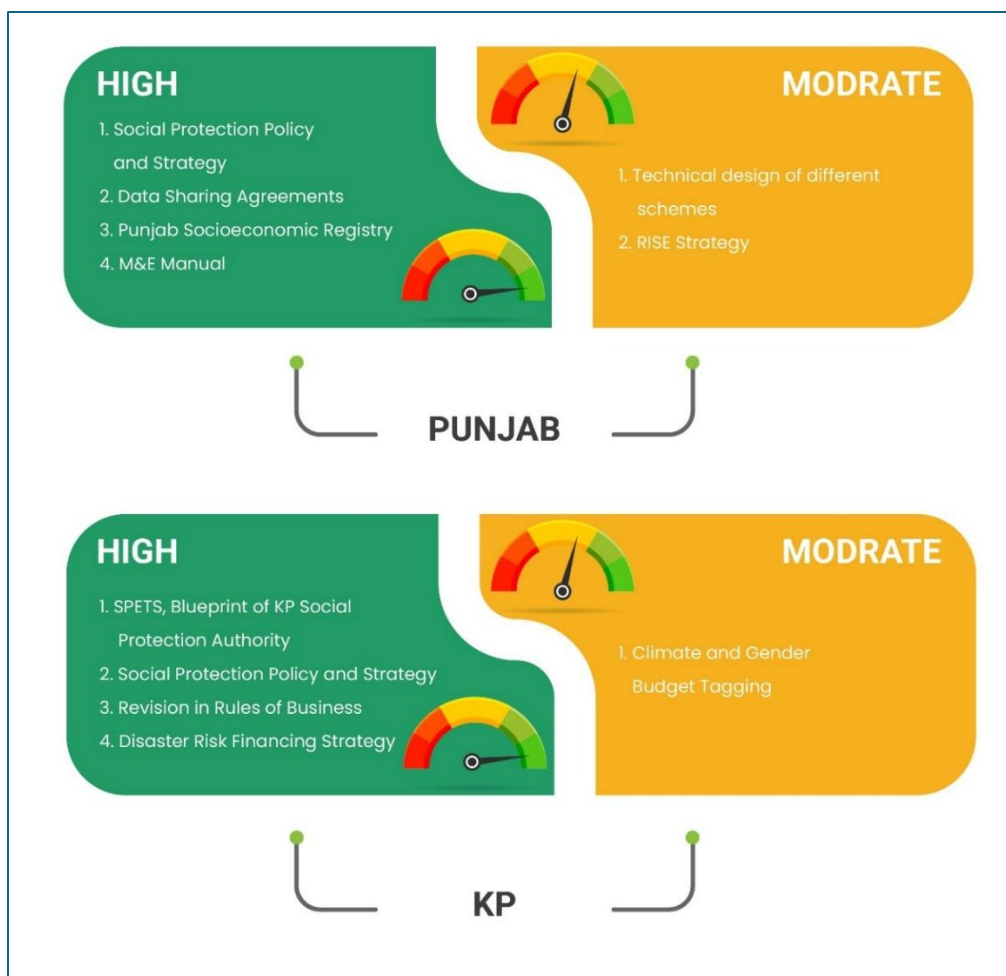


Figure 4: Attribution Rating of Institutional Strengthening Outputs/Interventions

The table below presents the evaluation findings across OECD-DAC criteria for Punjab and KP. It complements the thematic findings on institutional strengthening presented above in this sub-section.

Table 8: DAC Findings of Output 2

Criteria	Finding
Relevance – Punjab	SNG-II’s support addressed core weaknesses in Punjab’s social protection system by translating policy intent into operational systems. Support to the Social Protection Policy and Strategy, PSER, data-sharing with BISP, and scheme design for Ba-Himmat Buzurg and Nai Zindagi responded directly to gaps in targeting accuracy, rule clarity, and system preparedness. COVID-era support through the RISE framework further reinforced relevance by enabling Punjab to shift from ad hoc crisis response to planned, shock-responsive social protection.
Relevance – KP	In KP, SNG-II responded to fundamental institutional gaps by supporting the province’s first Social Protection Policy and Strategy, improving expenditure visibility, and developing core system designs such as SPETS, unified payment mechanisms, and a Social Protection Authority blueprint. These interventions directly addressed the absence of a coherent policy framework, fragmented delivery arrangements, and weak fiscal oversight in social protection.

Coherence – Punjab	Punjab’s reforms demonstrated strong coherence between policy direction, data systems, and delivery mechanisms. The Social Protection Policy–Strategy pair provided a unified direction, while PSER, data-sharing with BISP, and scheme SOPs aligned targeting, financing, and implementation. Complementarity with partners ensured that SNG-II’s focus on rules, governance, and system design was reinforced by parallel investments in infrastructure and specialist capacity.
Coherence – KP	In KP, coherence was achieved through a deliberately sequenced reform package. The policy and strategy set the sector’s direction, SPETS and expenditure dashboards created a shared evidence base, and the Social Protection Authority blueprint clarified long-term ownership. Data-sharing arrangements and integrated MIS foundations were routed through a single provincial counterpart, reducing fragmentation and improving consistency across departments.
Effectiveness – Punjab	Effectiveness was strongest where SNG-II’s support was embedded in live government work and converted into practical tools - SOPs, manuals, registries, helpline scripts, and verification routines - that frontline teams could use independently. The refreshed policy and first provincial Social Protection Strategy translated dispersed intentions into a single, endorsed roadmap. Strong design documentation allowed programme concepts such as WINGS to scale through larger funding platforms, demonstrating effective design portability.
Effectiveness – KP	SNG-II’s support produced clear effectiveness gains by providing KP with a province-wide mandate and operational roadmap for social protection. The policy and strategy aligned appraisal, budgeting, and review with PDWP and ADP cycles, while proposed Rules of Business revisions clarified institutional roles and custodianship. These changes improved ownership, reduced overlap between permanent sections and project units, and strengthened delivery of systems such as SPETS, gender budget tagging, and digital payments.
Efficiency – Punjab	SNG-II’s on-demand technical assistance and hybrid staffing model reduced transaction costs and accelerated design and approval processes. Leveraging provincial administrative datasets for targeting reduced reliance on costly surveys and enabled timely programme roll-out when federal data were delayed.
Efficiency – KP	Efficiency gains emerged from shared systems and simplified governance arrangements. SPETS, dashboards, and unified payment designs reduced duplication, improved fiscal oversight, and streamlined planning and review processes across departments, allowing decision-makers to operate with a single, consistent evidence base.
Impact – Punjab	SNG-II contributed to a shift toward rules-based, data-verified social protection. Elderly poor women accessed a province-financed social pension, acid-violence survivors received structured post-emergency care pathways, and registry-based screening improved targeting accuracy. The coupling of PSER with spatial vulnerability analysis strengthened the credibility and fairness of resource allocation.
Impact – KP	The programme strengthened KP’s capacity to manage social protection as a coherent portfolio rather than fragmented schemes. A notified policy, living strategy, regularised expenditure tracking, and a pathway to a provincial authority improved prioritisation, financing, and oversight for vulnerable households, while disaster risk financing reforms enhanced fiscal and climate resilience.
Sustainability – Punjab	Sustainability is well positioned to deepen as formal policy and strategy instruments, data-sharing protocols, and registry-based targeting systems continue to be embedded within routine planning and ADP processes. The ongoing integration of PSER with spatial vulnerability and climate-risk analysis provides a strong platform for scaling shock-responsive and climate-informed social protection, enabling future programmes to move from reactive responses toward anticipatory, evidence-driven support.

Sustainability – KP	Sustainability prospects are favourable as reforms consolidate within permanent government functions. Continued ownership by the Social Protection and Gender Mainstreaming sections - alongside the proposed Social Protection Authority - creates a clear pathway for long-term custodianship of policy, data, financing, and coordination. Core systems such as SPETS, integrated registries, and digital payments are increasingly positioned to operate as routine elements of government delivery, offering a scalable base for expanding coverage, improving targeting, and strengthening system resilience over time.
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Conclusion: Overall, SNG-II’s work under Output 2 significantly strengthened the institutional foundations of social protection in both Punjab and KP by shifting the focus from individual schemes to core systems - policy frameworks, financing mechanisms, data registries, expenditure tracking, and governance arrangements. These reforms improved coherence between planning, budgeting, and delivery; enhanced shock, climate, and disaster responsiveness; and reduced dependence on ad hoc decisions, personalities, and project-based units. At the same time, the evidence shows that the durability and impact of these gains now depend on completing the transition from designed systems to fully operational, integrated architectures - particularly by aligning people-based targeting with place-based and climate-informed allocation, treating strong programme designs as scalable public goods, resolving remaining institutional overlaps (notably in KP), and consolidating integrated data, climate risk, and expenditure systems. The following recommendations therefore focus on consolidating and extending these institutional gains rather than introducing new parallel interventions.

Recommendations:

1. Blend people-based targeting with place-based need. Future social protection work must move beyond simply identifying the poor (*people-based targeting*) to ensuring that budget allocations and services reach the most vulnerable areas (*place-based need*). SNG-II’s success in strategically pairing the dynamic PSER with a Spatial Vulnerability Index (SVI) should be sustained in the future programmes. This blend will ensure that caseloads and district budgets move together, reflecting measured need rather than historical or "legacy shares." To keep the data accurate, programmes must continue to leverage provincial administrative datasets (like property transactions or water dues) to exclude high-asset households, providing a local, up-to-date wealth filter even when federal poverty data is delayed.

2. Treat good designs as public goods that can scale. Not every successful pilot or pipeline idea can, or should, be funded to maturity by the original technical assistance program. Future programmes must intentionally invest in design packages that are complete and robust enough to be treated as public goods capable of being picked up by larger funding platforms (like the World Bank or ADB). This means ensuring that the project's rationale, rules, and paperwork are meticulously documented. For example, the WINGS asset-transfer concept survived an initial funding shock precisely because its design groundwork was strong enough to be adapted and scaled through the World Bank's Human Capital

Investment Project (PHCIP). This proves that investing in high-quality design documentation is an effective way to protect good ideas and achieve large-scale impact.

3. Build the KP Social Protection Authority and fix institutional overlaps. A key next step in KP is to follow through on the plan to establish a provincial Social Protection Authority (KPSPA). This requires prioritising its legal establishment, organogram (structure), and the orderly transition of functions from the project-based PP-SPRU (Public Policy & Social Protection Reform Unit). The goal is to end mandate ambiguity and improve accountability. This institutional fix involves clarifying the permanent role of the SP and Gender Mainstreaming section (SPGM) in P&D, likely as the Authority's permanent secretariat, which ensures that long-term policy oversight is anchored in routine government systems.

4. Complete the integrated data spine for social protection in KP. The effectiveness of all social protection programmes hinges on a reliable, integrated data infrastructure. Future work must focus on completing the integrated beneficiary registry for KP. This is not just a technology build; it is a governance exercise requiring formal data-sharing protocols, NDAs (Non-Disclosure Agreements), and role-based access rules. The final product must link departmental MIS (Management Information Systems) with the SPETS (Social Protection Expenditure Tracking System) so that planners can track beneficiaries, spending, and results in one centralized view, significantly reducing double-dipping and exclusion errors.

3.5. Output 3 (Fiscal Space)⁵⁹

How did SNG-II help governments move from ad-hoc fiscal measures to coherent, diagnostic-led reform pathways? Across both provinces, SNG-II supported a shift away from fragmented, one-off fiscal actions toward coherent reform pathways grounded in clear problem diagnosis and implementable design. In Punjab, this was reflected in the Revenue Mobilisation Strategy and Pension Reform Plan functioning as live reform mandates - structuring agendas, sequencing decisions, and enabling continuity across regime changes for complex reforms such as negative-list services taxation, PRA's statutory overhaul, and contributory pensions.

In KP, a similarly coherent trajectory emerged through the UIPT Transition Plan, which clearly identified structural flaws in the legacy system and translated them into a neutral rate path, capital-value taxation, and institutional reforms (Valuation Cell, new law), avoiding piecemeal fixes.

1. Structural strengthening of own-source revenue administration. SNG-II contributed to deep, system-level improvements in OSR administration, moving beyond rate changes toward legal robustness, compliance architecture, and administrative capability. In Punjab, Punjab Revenue Authority (PRA) reforms combined statutory redesign (taxpayer due process, appeals, litigation resilience), expansion into digital and cross-border services via bank-based collection (≈PKR 3.1 billion since Nov 2024), and maturation of automation into end-to-end, risk-based audit systems⁶⁰. KPRA's standalone Sales Tax on Services Act (2022)

⁵⁹ For detailed analysis, please see Annex A.3.5.

⁶⁰ KII: GPB13 (Chairman PRA/Special Secretary Finance, Finance Dept.), GPB14 (Member I.T, PRA), GPB15 (Former DG, PRA), SPB06 (Fiscal Space Advisor, SNG Punjab)

strengthened legal footing, while bank-based collection for foreign digital services modernised enforcement. Risk-based audits and merchant coding reforms signalled a move away from volume-driven checks. Critically, capability was treated as a compliance lever: master-trainer programmes, comprehensive manuals, and amended service rules linking promotion to training embedded skills reproduction within KPRA⁶¹.

2. Gradual base expansion and adaptive compliance tooling. Both provinces pursued incremental base expansion supported by adaptive use of technology, with learning embedded into reform design. In KP, pilots such as restaurant invoicing revealed technical constraints initially; rather than scaling weak designs, the province adapted by mandating system integration in law, shifting hardware responsibility to businesses, and expanding a more stable web-based platform⁶². The Highway-Abutting Properties Tax pilot in Punjab has achieved the proof of concept milestone, ready to be revisited by future programmes for further scaleup⁶³.

3. Foundations for harmonisation and data-driven enforcement. SNG-II supported alignment with the Single Sales Tax Return and participation in inter-provincial negative-list convergence is expected to reduce the compliance friction and administrative arbitrage in

Punjab. Data-sharing pilots with Excise and Punjab Food Authority demonstrated a replicable method for inter-agency cooperation, shifting the debate from whether to share data to how to clean and link it⁶⁴. In KP, GIS-based property mapping⁶⁵, digital billing pilots in Excise and Taxation⁶⁶, and classification reforms improved measurement accuracy and informed subsequent platform choices as systems matured.

4. Expenditure efficiency through liability management and fiscal-risk routines. On the expenditure side, both provinces strengthened fiscal space by making future obligations visible, rule-bound, and manageable. In Punjab, operationalisation of the PFM Act through a permanent PFM Unit translated legal reforms into daily routines. The contributory pension reform emerged

as a flagship intervention - combining policy adoption with execution readiness (rules, payroll integration, coordination with AG Office) and shifting pensions from opaque promises to priced, governed liabilities that also support capital-market development⁶⁷. In KP, the introduction of a published Fiscal Risk Statement institutionalised regular review of pensions, PPPs, SOEs, debt, macro assumptions, and disaster risks, enabling anticipatory adjustment rather than crisis response⁶⁸.

⁶¹ KII: GKP16 (Director General and Collector, KPRA, KP), SKP05 (Fiscal Space Advisor, SNG KP)

⁶² KII: GKP16 (Director General and Collector, KPRA, KP), SKP05 (Fiscal Space Advisor, SNG KP)

⁶³ KII: GKP16 (Director General and Collector, KPRA, KP)

⁶⁴ KII: GPB13 (Chairman PRA/Special Secretary Finance, Finance Dept.), SPB06 (Fiscal Space Advisor, SNG Punjab)

⁶⁵ KII: IKP03 (CGPA), GKP14 (Secretary, ET&NCD, KP)

⁶⁶ KII: IKP05 (Fiscal Space Advisor, SNG KP), GKP15 (Director Revenue and I.T, ET&NCD, KP)

⁶⁷ KII: SKP06 (Social Protection Advisor and SP Associate, SNG KP), GPB24 (Chief Investment Officer, PPF), GPB25 (Commissioner, SECP), GPB25 (Commissioner, SECP)

⁶⁸ KII: SKP04 (PFM Advisor, SNG KP), GKP11 (Special Secretary (Budget), Finance Dept., KP)

5. Conversion of technical analysis into tangible fiscal space. Finally, both provinces demonstrated the importance of turning diagnostics into concrete cash and efficiency gains. In Punjab, correction of idle cash balances alongside high-cost commodity financing produced immediate fiscal savings by reducing unnecessary interest costs, while signalling improved cash and debt management discipline across political transitions⁶⁹. In KP, public enterprise oversight portals and structured budget rationalisation translated analysis into selective savings - textbook reuse, subsidy recalibration, restrained asset purchases, and targeted grant adjustments - improving in-year execution without across-the-board austerity.

6. Reduction of entry barriers in data integration work. SNG-II's most significant contribution to data integration was not technical interoperability itself, but breaking the institutional and psychological barriers to data sharing across provincial entities. Through sustained convening power, bureaucratic access, and hands-on facilitation with the Finance Department and line agencies, SNG-II enabled initial, precedent-setting data exchanges between PRA and entities such as Excise and the Punjab Food Authority - shifting the conversation from *whether* data could be shared to *how* it might be cleaned and used⁷⁰.

However, while proof-of-concept transfers and dashboards were achieved, systematic and automated data integration did not materialise. Structural constraints - uneven digitisation across departments, poor data quality, absence of unique identifiers, fragmented institutional ownership, and limited incentives for non-revenue agencies - prevented progression from one-off or manual transfers to regular, API-based data flows⁷¹. SNG-II's support clarified these binding constraints and demonstrated feasibility at the margin, but full integration lay beyond the programme's scope, requiring broader government-led digitisation, mandate alignment, and political prioritisation.

So what explains why some reforms translated into durable fiscal gains while others progressed only partially? The results point to the importance of reform processes - specifically how problems were diagnosed, reforms sequenced, incentives aligned, and technical support embedded within permanent institutions. The following process findings unpack these mechanisms, clarifying why certain interventions scaled and endured, while others remained at pilot or proof-of-concept stage despite sound technical design.

1. Reform durability improved when fiscal changes were anchored in clear frameworks and delivery routines. Punjab's fiscal reforms advanced most effectively when they were organised under a small number of cabinet-approved frameworks and executed through predictable decision calendars. The Revenue Mobilisation Strategy and Pension Reform Plan provided practical discipline by creating formal cover for sensitive reforms, establishing standing forums with follow-up accountability, and aligning technical drafting with the budget cycle. This structure allowed complex and politically delicate reforms - such as the shift toward a negative list for services taxation, strengthened taxpayer due-process, and

⁶⁹ KII: IPB01 (Faculty Advisor, TPI, LUMS), IPB02 (Programme Director, TPI, LUMS)

⁷⁰ KII: IPB01 (Faculty Advisor, TPI, LUMS), IPB02 (Programme Director, TPI, LUMS), GPB15 (Former DG, PRA)

⁷¹ KII: GPB15 (Former DG, PRA)

contributory pensions - to progress without repeated reopening, and to endure leadership turnover without loss of momentum⁷².

2. Reform sequencing and alignment with incentives was the key to success. Reform progress was strongest where sequencing and institutionalisation were explicit. Successful interventions moved in a deliberate progression - from problem diagnosis to a formal Transition Plan, through Task Force deliberation and decisions, and into draft legislation and standing operating arrangements. In KP, this sequencing helped convert reform intent into administrative action rather than isolated pilots. On the revenue administration side, durability was reinforced when capability development was embedded in incentive structures: KPRA's amendment of service rules, linking training completion to promotions, shifted capacity building from one-off events to a self-reproducing organisational practice⁷³.

3. Using the learning from pilots for course correction. Technology-enabled reforms were most effective once they were embedded within clear legal authority and organisational ownership. Early pilots - such as restaurant invoicing - demonstrated that donor-funded devices and stand-alone applications alone do not scale. However, these pilots served their purpose by clarifying design and enforcement gaps. KPRA has subsequently corrected course by strengthening legal mandates and compliance requirements, and the invoicing regime is now being scaled through statutory enforcement rather than voluntary uptake⁷⁴.

Similarly, while the Excise e-payment gateway did not endure due to the absence of a funded service agreement and internal resistance, it provided a practical blueprint for digitised payments. The experience informed Excise's later engagement with the KP IT Board to develop a more institutionally anchored application⁷⁵.

Figure 5 rates the interventions under Output 3. High rating means the programme largely drove the intervention and it resulted in reforms that are formally embedded in government systems or rules; Medium rating means design and management were shared with government/partners, with meaningful programme contribution but shared attribution or reforms still maturing.

⁷² KII: SPB04 (MEL Advisor, SNG Punjab), GPB13 (Chairman PRA/Special Secretary Finance, Finance Dept.), GPB14 (Member I.T, PRA)

⁷³ KII: SKP05 (Fiscal Space Advisor, SNG KP), GKP16 (Director General and Collector, KPRA, KP)

⁷⁴ KII: GKP16 (Director General and Collector, KPRA, KP)

⁷⁵ KII: GKP15 (Director Revenue and I.T, ET&NCD, KP)

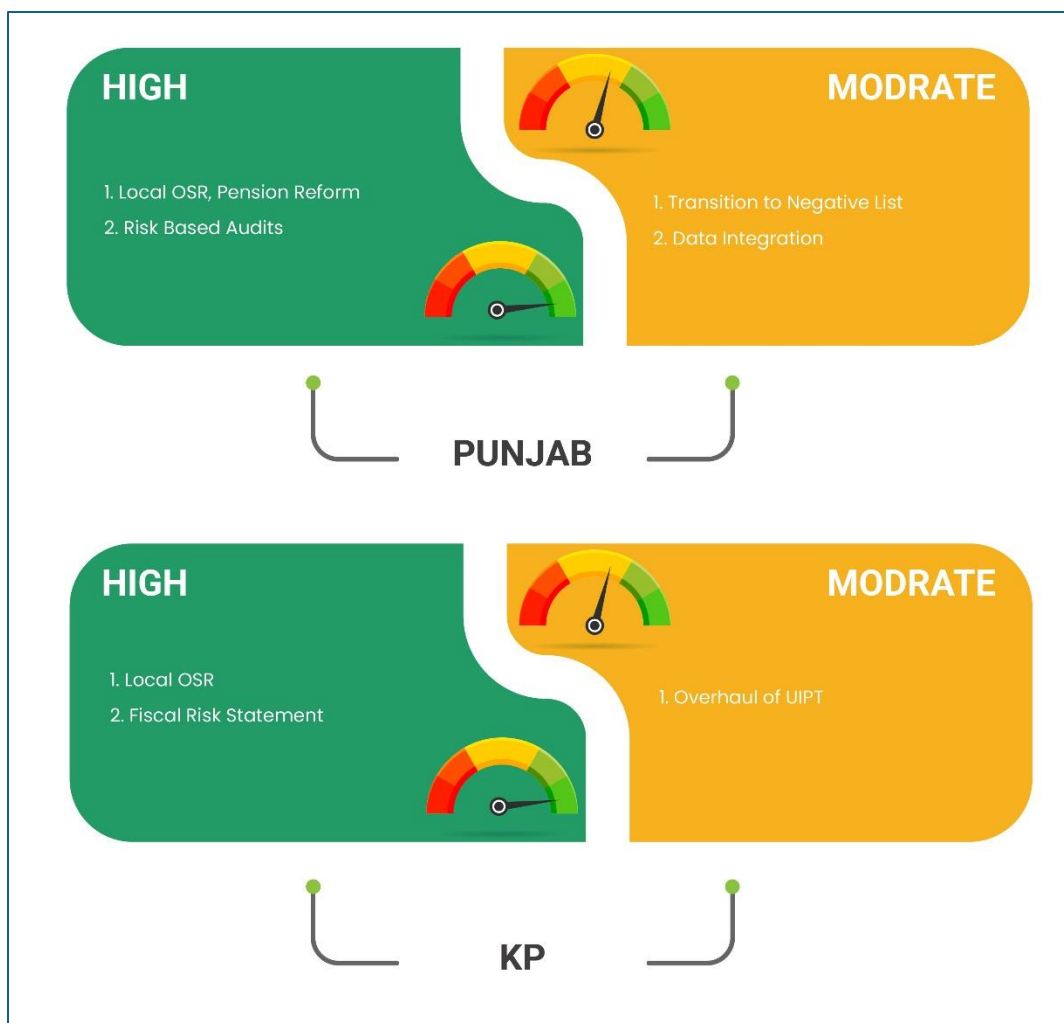


Figure 5: Attribution Rating of Fiscal Space Outputs/Interventions

The table below presents the evaluation findings across OECD-DAC criteria for Punjab and KP. It complements the thematic findings on fiscal space reforms presented above in this sub-section.

Table 9: DAC Findings of Output 3

OECD-DAC Criterion	Findings
Relevance - Punjab	Interventions focused on constraints consistently identified by the province as binding. On expenditure, contributory pension reform and correction of commodity-debt carry addressed rapidly growing liabilities and visible cash-management anomalies. On revenue, PRA statutory reform, movement toward a negative list, and bank-mediated taxation of digital services targeted areas of legal ambiguity, leakage, and emerging business models.
Relevance - KP	The fiscal space agenda directly addressed core provincial priorities. UIPT reform tackled the fundamental flaw of rental-value taxation that excluded

	vacant plots and under-captured market growth. On expenditure, routine publication of a Fiscal Risk Statement and a live public enterprise portal focused attention on sources of execution volatility that crowd out social spending. The emphasis remained on public value: broadening the base without arbitrary rate hikes and linking risk analysis to budget decisions.
Coherence - Punjab	Vertical and horizontal coherence improved where PRIDE and SNG-II played complementary roles: PRIDE provided leverage, and continuity within Finance, while SNG-II supplied embedded technical depth for statutes, rules, and operational follow-through. Participation in inter-provincial harmonisation viz. negative tax list and the Single Sales Tax Return strengthened revenue-side coherence.
Coherence - KP	Interventions were designed as an integrated reform chain rather than stand-alone pilots. GIS mapping fed into the Transition Plan, which anchored legal drafting, Valuation Cell design, and operating groups. KPRA's statute, bank-based withholding, and risk-based audit concept reinforced one another.
Effectiveness - Punjab	Several priority reforms translated into concrete outputs and outcomes. The PFM Act was operationalised through a functioning PFM Unit. Contributory pensions moved from concept to approved policy and rules across administrations. PRA statutory redesign advanced with tested due-process improvements, while bank collection of cross-border digital services became operational and generated material revenues.
Effectiveness - KP	The Task Force's endorsement of capital value taxation, creation of a Valuation Cell, and drafting of a new law marked a clear structural break from incremental amendments. KPRA operationalised reforms by making banks liable as collection agents and linking training completion to promotion. The restaurant invoicing pilot demonstrated disciplined learning, with design weaknesses codified into stronger legal mandates rather than forced scale-up.
Efficiency - Punjab	Efficiency gains were strongest where reforms targeted large fiscal levers and used existing systems. Commodity-debt correction delivered immediate savings; contributory pensions replaced open-ended liabilities with funded, trackable obligations.
Efficiency - KP	Sequenced reform design economised effort by ensuring each step reduced uncertainty for the next. The Valuation Cell model lowered rework and appeals costs, while embedding training in promotion criteria reduced reliance on repeated donor workshops. Fiscal-risk routines and the public enterprise portal shortened the path from data to action, improving in-year execution efficiency.
Impact - Punjab	Impact is most evident through institutional and financial channels. Durable capacities were created through a functioning PFM Unit, modernised PRA statute, and regularised committee routines. Financially, pension reform and commodity-debt correction reduced long-run risk and interest costs, while digital services taxation increased OSR without raising headline rates.
Impact - KP	A market-anchored valuation base and permanent Valuation Cell create fairer and more predictable property taxation, extendable to uncovered districts and plots. This widens OSR and channels resources to local governments under existing rules. Bank-based withholding and clearer audit logic are beginning to convert registrations into collections, with a plausible pathway to improved municipal and provincial services.

Sustainability - Punjab	Looking ahead, sustainability is most likely to be consolidated where legal standing, institutional ownership, and alignment with the budget cycle continue to reinforce one another. Pension reform and the PFM Act already meet these conditions and provide a stable platform for further deepening across administrations. PRA reforms, supported by codified processes and maturing digital platforms, are well positioned to sustain gains and expand coverage.
Sustainability - KP	In KP, sustainability prospects are favourable as reforms mature within statute-based and routine-driven systems. The Valuation Cell’s separation of functions limits discretion and supports consistency over time, while KPRA’s training-promotion link ensures that capability is replenished internally without repeated external support. Bank-based collection-agent arrangements for digital platforms and the institutionalisation of fiscal-risk statements and public enterprise reporting - anchored to recurring executive/cabinet review cycles - provide a strong foundation for continuity. Going forward, these routines offer a scalable base on which the province can layer further compliance, data, and service-delivery reforms with reduced vulnerability to leadership changes.

Conclusion: Overall, SNG-II demonstrates that meaningful fiscal space reforms at the provincial level are achievable when technical ambition is matched with institutional realism. Across Punjab and KP, the programme helped shift reform practice from fragmented, one-off measures toward coherent pathways anchored in clear diagnosis, sequencing, and implementable design. Where reforms combined legal standing, embedded technical support, aligned incentives, and a permanent institutional home, they not only delivered measurable fiscal gains but also endured leadership transitions. Conversely, where foundational conditions - such as digitisation readiness within the government systems, or weak enforcement - were incomplete within the public ecosystem, progress remained partial despite sound technical concepts. The experience therefore points less to gaps in reform ideas and more to the need for consolidation, scale-up, and completion of reform chains already underway. The following recommendations build directly on these lessons, focusing on institutionalising early gains, converting toolkits into operating systems, and targeting the next tranche of high-impact fiscal reforms.

Recommendations

1. Having lowered barriers to data sharing, future programmes should focus on institutionalising and scaling Integration. Building up on the ice-breaking work by SNG-II on data integration in Punjab, future support to provincial data integration should be structured as a government-mandated, phased reform anchored in the Finance Department (or a designated cross-government analytics unit), with clear authority to convene and enforce participation across PRA, Excise, Board of Revenue and key regulators. Rather than pushing immediately for real-time APIs, the programme should first invest in “readiness” in feeder institutions - digitisation of priority datasets, data cleaning, and adoption of unique identifiers (e.g., CNIC-linked records) - and then institutionalise periodic structured exchanges (quarterly/biannual) that gradually mature into automated data flows. Equally important is the alignment of incentives for non-revenue agencies to share data. Create visible “benefit cases” (compliance, licensing, targeting, enforcement) and link cooperation

to performance expectations or routine reporting so agencies see upside, not only risk. Lack of data integration was identified as key constraint in KP. Future programmes should consider transferring the learnings from Punjab to KP.

2. Treat Risk-Based Audit as a system, not a slogan. With SNG-II support, a risk-based audit toolkit - covering audit manuals, risk parameters, and selection logic- has been prepared, establishing a solid technical foundation for more targeted compliance enforcement. Moving forward, this toolkit should be operationalised as a system rather than a one-off product: a dedicated risk and intelligence function should own the end-to-end audit cycle; auto-selection of cases should become the default with limited, governed managerial discretion; and a small, defensible set of high-signal risk indicators should be deployed and iteratively refined through feedback from completed audits.

3. Finish the pension reform operational chain in Punjab⁷⁶. The policy choice has been made. The next gains are operational and would come from market-building: timely account opening for each new hire, monthly funding in lock-step with payroll, coordination with Accountant General offices, employee education on savings choices, and onboarding of fund managers, custodians, insurers, and auditors to deepen capital markets.

4. Rationalising architecture and targeting Revenue Bases. A more efficient revenue system requires rationalising the provincial revenue architecture. This means advancing a staged path toward a unified provincial revenue authority or, at a minimum, establishing shared services for key functions like IT platforms, appeals, and audit across existing agencies. This move reduces operational costs, eliminates conflicts of interest, and ensures uniform policy enforcement. Simultaneously, the focus must be on reviving and targeting high-potential revenue bases. This includes bringing the Highway-Abutting Properties Tax to scale by establishing clear valuation rules and mandating joint operations with Highways and local bodies. The efficient model of bank-mediated taxation for cross-border digital services should be continued and expanded to adjacent online sectors where existing payment infrastructure can be leveraged for collection.

3.6. Output 4 (Local Governance) and Output 1.4 (Citizen Engagement)⁷⁷

How far did these reforms institutionalise local fiscal governance - by bringing local governments “on system,” expanding own-source revenues, strengthening accountability and citizen engagement, and translating fiscal gains into more reliable, cost-recovering services? Under Output 4 (Local Governance), SNG-II sought to strengthen the fiscal and institutional foundations of local governments so that they could plan, finance, and deliver services more credibly and autonomously. Rather than focusing on one-off pilots or sectoral investments, the programme targeted the systems, rules, and routines that shape how local governments raise revenue, manage finances, engage citizens, and convert fiscal space into service delivery. The findings below summarise the programme’s

⁷⁶ [Meeting Notice: Action Plan for Implementation of Defined Contribution Pension Scheme, Finance Department, Government of Punjab, 26th March 2025](#)

⁷⁷ For detailed analysis, please see Annex A.3.6.

most material results, focusing on where reforms moved from design to operational practice and produced demonstrable changes in local fiscal governance, institutional behaviour, and service-centric models.

1. Strengthening Local Fiscal Governance and Own-Source Revenue (OSR). System-level fiscal modernization was the most durable contribution under Output 4⁷⁸. In Punjab, the operationalisation of the Local Government Financial Management Information System (LGFMS) marked a structural shift by bringing local governments “on system,” improving financial visibility, standardising controls, and aligning local accounting with the provincial IFMS/SAP backbone. Reform Working Groups and PSC deliberations resolved the technical differences – whether to integrate the LGFMS developed with World Bank’s support into SAP or extend the existing Accountant General terminal to local level - creating a government-owned pathway from concept to implementation of local government financial reporting system⁷⁹.

Digitisation and GIS-enabled reforms unlocked previously untapped municipal revenue streams. Beyond Tax on Transfer of Immovable Property (TTIP) automation - which early departmental reporting linked to 30–40% increases in collections⁸⁰ - the Rahim Yar Khan Municipal Committee provides a concrete illustration of OSR deepening through spatial data⁸¹. A GIS-based property survey identified commercial activity operating within residential buildings, enabling enforcement of the *Conversion Fee for change in building usage* (budget head C0388029). This revenue head did not exist in municipal accounts prior to FY 2022–23. Following the reform, collections rose sharply to PKR 34.5 million in FY 2023–24 and further accelerated to PKR 110.8 million by April 2025, against an annual estimate of PKR 150 million⁸². The reform’s legitimacy and impact were formally endorsed by the Commissioner of Bahawalpur Division, reinforcing both administrative buy-in and sustainability⁸³.

KP’s OSR modernisation demonstrated political feasibility alongside technical soundness by sequencing reforms in ways that local councils could defend⁸⁴. SNG-II supported TMAs to revise long-dormant tax schedules using differentiated rates and public notice processes that reduced backlash: Shangla expanded its revenue heads from four to nearly fifty⁸⁵, introducing low initial rates to build acceptance; Haripur revised its water charges from PKR 100 to PKR 300⁸⁶; Dir Lower updated its tax schedule for the first time since 2012⁸⁷; and Swabi

⁷⁸ FGD: FPB01-04 (Nankana Sahib, Rahim Yar Khan, Kasur and Sialkot)

⁷⁹ KII: SPB04 (MEL Advisor, SNG Punjab), SPB05 (PFM Advisor, SNG Punjab), GPB19 (Former Special Secretary, LG&RD, Punjab)

⁸⁰ KII: GPB18 (Special Secretary, Additional Secretary, and Deputy Secretary, LG&RD, Punjab)

⁸¹ KII/FGD: SPB05 (PFM Advisor, SNG Punjab), FPB02 (DC Rahim Yar Khan, CO (MC) RYK), MoF (MC) RYK)

⁸² KII: FPB02 (DC Rahim Yar Khan, CO (MC) RYK), MoF (MC) RYK)

⁸³ KII: GPB19 (Former Special Secretary, LG&RD, Punjab)

⁸⁴ KII/FGD: SKP07 (DTL North, SNG Team KP), SKP08 (DTL North, SNG Team KP), FKP01-08 (Haripur, Swabi, Mansehra, Buner, Shangla, Lower Dir, and Swat)

⁸⁵ FGD: FKP05 (Shangla)

⁸⁶ FGD: FKP01 (Haripur)

⁸⁷ FGD: FKP06 (Lower Dir)

revised rates after more than two decades of stagnation⁸⁸. In Swat, TMAs such as Bahrain and Babuzai legalised door-to-door solid waste fees and recalibrated hotel, school, and trade-license charges, including seasonal pricing in tourist areas like Kalam to align payments with income cycles⁸⁹.

2. Institutionalisation of Planning, Accountability, and Citizen Engagement. Local governance reforms moved beyond pilots to institutional embedding. In Punjab, Citizen Engagement Guidelines were formally adopted by the Local Government Department and mainstreamed through the Punjab Local Government Academy, standardising participatory planning, budgeting, and documentation practices across municipalities. Their application in MCs such as Kasur, Rahim Yar Khan, and Sialkot indicates early routinisation rather than symbolic compliance⁹⁰.

On demand from Local Government & Community Development Department (LG&CDD), SNG-II drafted nine rules to facilitate the operationalisation of Local Government Act 2019. The rules drafted by SNG-II include:

- i. Local Government Inspectorate of Inspections and Monitoring Rules
- ii. Local Government Planning Guidelines
- iii. Local Planning Boards
- iv. Punjab Local Governments Rules of Business
- v. Code of Conduct for the Punjab Local Government Councilors
- vi. Punjab Local Government Works Rules
- vii. Finance Commission Conduct of Business & Removal of Member of the Commission
- viii. Punjab Local Government Taxation Rules.
- ix. Punjab Local Governments Investment of Surplus Funds Rules

In KP, drafting of Land Use and Building Control Act (LUBCA) and its operationalisation was exclusively steered by SNG-II⁹¹. It manifested in the form of District Land Use Planning and Management Committees moving from ad hoc decisions to structured workflows with improved records, scrutiny, and follow-through, strengthening defensibility of decisions across cabinet and PDWP processes and reducing discretionary erosion of land-use controls.

3. Linking Fiscal Space to Service Delivery Outcomes. Solid Waste Management (SWM) pilots demonstrated the fiscal–service delivery nexus. In both Punjab (Kasur) and KP (multiple TMAs), SNG-II supported end-to-end, cost-recovering SWM models that deliberately sequenced service reliability before fee legalisation⁹². This approach increased citizen willingness to pay and operationalised the programme’s theory of change: stronger fiscal governance enables better services. Low-capex, locally adapted service models improved viability and replicability. Composting units, performance-linked staff incentives,

⁸⁸ KII/FGD: SKP08 SKP08 (DTL North, SNG Team KP), FKP02 (Swabi)

⁸⁹ FGD: FKP07-08 (Swat)

⁹⁰ KII: (Special Secretary, Additional Secretary, and Deputy Secretary, LG&RD, Punjab)

⁹¹ KII: SKP02 (Team Lead and Governance Advisor, SNG KP), SKP08 (DTL North, SNG Team KP)

⁹² FGD: FPB03 (Kasur), FKP07- 8 (Swat), FKP01 (Haripur)

differentiated tariffs, and seasonal pricing showed that services could be financially sustainable without waiting for large infrastructure investments. The pilots also exposed the conditions required for sustainability and scale-up. Cost recovery depended on enforceable exclusivity of collection zones, clear jurisdictional authority - particularly where Water & Sanitation Services Companies (WSSC) operate - routine operating budgets, and provincial policy cover to shield councils from repeated tariff contestation.

Enhanced OSR directly protected service delivery under fiscal stress. The Mingora example - where increased OSR helped retain sanitation staff following layoffs - demonstrated how fiscal reforms translated into tangible service continuity⁹³.

How did different implementation approaches affect the sustainability, scalability, and ownership of local governance reforms? The findings below highlight how SNG-II navigated political economy constraints, transferred ownership to government systems, and where progress was ultimately shaped by factors beyond local control.

1. The evaluation observed a difference in province-wise modalities for delivery under Output 4: KP utilised a stronger embedded model with TA staff directly stationed at the district level for local governance, allowing for granular, continuous support⁹⁴. In contrast, Punjab's model was more of a "come and go" nature⁹⁵, working primarily through central provincial bodies (LG&CDD and Punjab Municipal Development Fund Company - PMDFC)⁹⁶. Nevertheless, Punjab's model had a rational basis (given the absence of fully functioning local governments) and yielded comparable results in multiple areas Own Source Revenue, and Solid Waste Management Pilots and even better results in Local Government Financial Reporting (via rollout of LGMIS). However, respondents in FGDs held at Rahim Yar Khan⁹⁷ and Kasur⁹⁸ were of the view that talented professionals – doctors, lawyers, accountants, educationists, urban planners, etc. – preferred to migrate towards big cities. They highly stressed the need for embedded support at the district level to address persistent downstream capacity gaps.

2. Integrated Resource Recovery Centre (IRRC)–inspired service delivery model, deliberately coupled with a cost-recovery approach, delivered visible services without increasing fiscal dependence on provincial transfers. The reason was: rather than waiting for capital-intensive, fully mechanised IRRCs, the programme adapted the concept to local realities - using low-capex composting, basic segregation, and end-to-end service design (collection, processing, and disposal), anchored in user fees and own-source revenue⁹⁹. The sequencing was intentional: services were stabilised first, public trust was built through reliable door-to-door collection, and only then were fees legalised through council

⁹³ KII: SKP07 (DTL North, SNG Team KP)

⁹⁴ KII: SKP07 (DTL North, SNG Team KP)

⁹⁵ FGD: (Kasur), FPB04 (Sialkot)

⁹⁶ KII: IPB04 (Manager (FNA), Manager (I.T), and General Manager (IS), PMDFC, Punjab), GPB18 (Special Secretary, Additional Secretary, and Deputy Secretary, LG&RD, Punjab)

⁹⁷ FGD: FPB02 (Rahim Yar Khan)

⁹⁸ FGD: FPB03 (Kasur)

⁹⁹ FGD: FKP07-08 (Swat)

resolutions and gazette notifications. This design sought to demonstrate that financial discipline and service quality could reinforce each other at the local level.

3. Institutional choreography and gradual transfer of ownership. SNG-II paid close attention to institutional choreography, ensuring reforms “lived” inside government calendars and routines. For effectively operationalising the LUBCA, District-level steering groups chaired by Assistant Commissioners were revived so decisions were taken within official forums rather than project workshops. As programme exit approached, chairing and patronage gradually shifted to local officials and citizen representatives to protect continuity. Capacity building also evolved from classroom training to hands-on institutional strengthening, supported by concise operational aids - FAQs, role notes, standard proformas - that turned fragmented practices into repeatable operating systems, particularly for land-use governance under LUBCA¹⁰⁰.

4. Limits of Process Where Constraints Lay Outside Local Control. The evaluation also found that process excellence faced structural constraints. Progress slowed where outcomes depended on decisions beyond local government control - such as financing high-capex disposal infrastructure, resolving institutional grey zones between TMAs and WSSCs, or accessing province-owned digital systems for billing and automation. Similarly, replication varied with local political alignment and geography, underscoring that even well-designed, well-sequenced processes still require enabling political and fiscal windows to scale¹⁰¹.

5. Use of Formal Decision Forums to Convert Reform Ideas into Implementable Actions. A defining process feature under Output 4 was SNG-II’s systematic use of formal government decision forums - notably the Programme Steering Committee (PSC) and Departmental Reform Working Groups - to translate reform concepts into executable actions¹⁰². These forums did more than endorse ideas: they set agendas, recorded options, assigned ownership, and tracked follow-up, ensuring reforms progressed through official channels rather than remaining advisory. The LGFMIS reform illustrates this clearly. A formally minuted option appraisal - whether to extend SAP to local governments or integrate LGFMIS with SAP - produced a clear government decision, which then structured all downstream technical work. This disciplined sequencing reduced ambiguity for departments and vendors and sustained momentum on complex system reforms.

Figure 6 rates the interventions under Outputs 4 and 1.3. High rating means the programme largely drove the intervention and it resulted in reforms that are formally embedded in government systems or rules; Medium rating means design and management were shared with government/partners, with meaningful programme contribution but shared attribution or reforms still maturing.

¹⁰⁰ KII: SKP07-08 (DTL North, SNG Team KP and DTL North, SNG Team KP)

¹⁰¹ FGD: FKP07-08 (Swat)

¹⁰² KII: GPB18 (Special Secretary, Additional Secretary, and Deputy Secretary, LG&RD, Punjab)

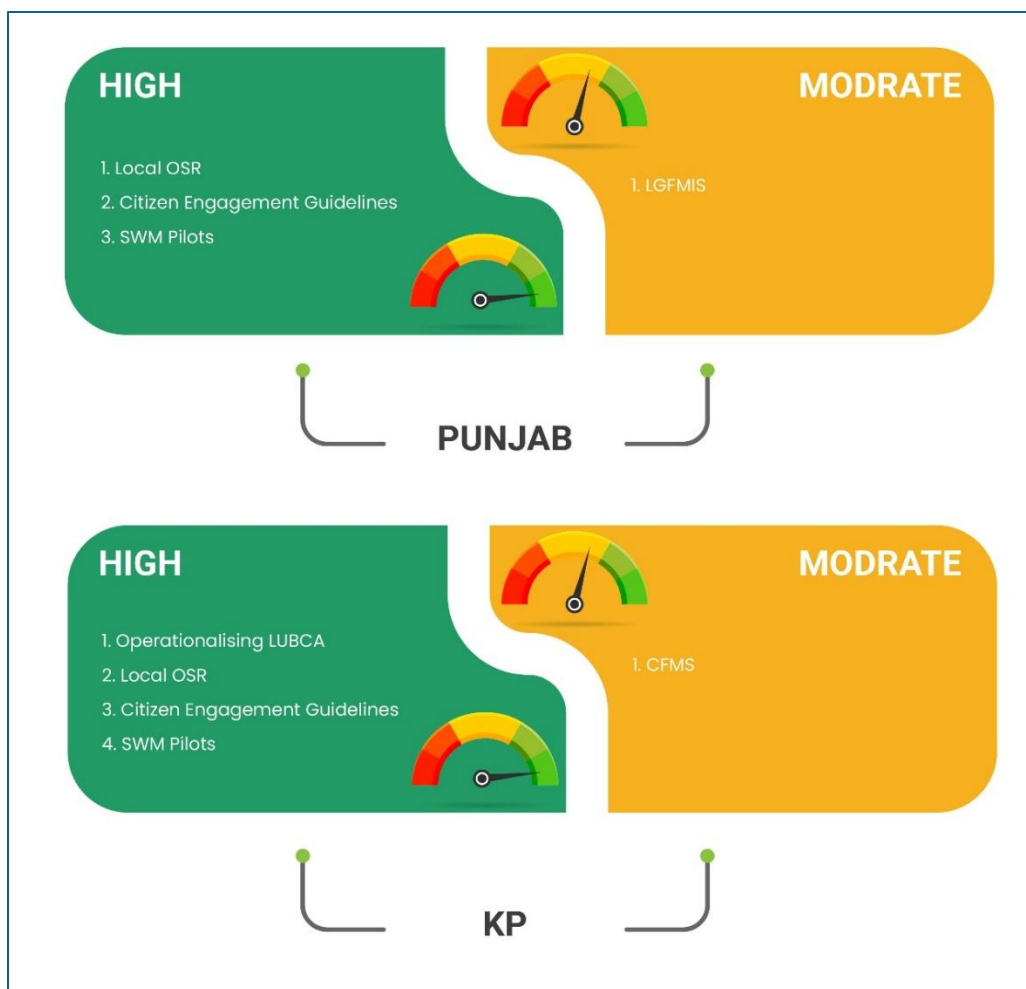


Figure 6: Attribution Rating of Local Governance Outputs/Interventions

The table below presents the evaluation findings across OECD-DAC criteria for Punjab and KP. It complements the thematic findings on local governance reforms presented above in this sub-section.

Table 10: DAC Findings of Output 4 and 1.4

DAC Criterion	Findings
Relevance - Punjab	Interventions were well aligned with Punjab’s local governance context, particularly the absence of fully functional elected local governments for much of the programme period. The focus on system-level enablers - LGFMIS, OSR digitisation, and rule-making - responded directly to provincial priorities around financial control, transparency, and preparedness for future decentralisation.
Relevance - KP	Output 4 interventions were highly relevant to KP’s decentralised governance environment and fiscal stress context. The focus on OSR modernisation, land-use governance, and SWM responded directly to local government priorities and revenue shocks, creating reform windows that councils could politically defend.

Effectiveness - Punjab	Output 4 achieved strong effectiveness in system reforms. The operationalisation of LGFMIS brought local governments “on system,” improving financial visibility and standardising controls in alignment with provincial IFMIS/SAP. OSR reforms, including TTIP automation and GIS-enabled conversion fees (e.g., Rahim Yar Khan), translated into measurable revenue gains, while SWM pilots demonstrated viable cost-recovery models at municipal scale.
Effectiveness - KP	Effectiveness was strong where embedded TA enabled continuous engagement. OSR reforms resulted in substantive updates to long-dormant tax schedules across Shangla, Haripur, Dir Lower, Swabi, and Swat TMAs, while SWM pilots translated fiscal reform into visible services. LUBCA operationalisation shifted land-use decisions from ad hoc practices to structured, defensible workflows.
Efficiency - Punjab	The province-level, “come-and-go” delivery model - working primarily through LG&CDD and PMDFC - was efficient given institutional constraints and avoided duplication. PSC-led decision-making resolved technical overlaps (e.g., LGFMIS vs SAP extension) early, reducing transaction costs and implementation delays. However, limited embedded presence constrained speed of downstream capacity absorption.
Efficiency - KP	The embedded district-level delivery model proved efficient for complex, behaviour-dependent reforms. Continuous presence reduced coordination delays, enabled rapid problem-solving, and allowed adaptive tailoring across diverse districts. Low-capex IRRC-inspired SWM solutions further improved cost efficiency under tight fiscal conditions.
Coherence - Punjab	Reforms were internally coherent, linking fiscal systems (LGFMIS), OSR measures, planning rules, and citizen engagement. Externally, donor coordination under LG&CDD avoided duplication (e.g., withdrawal from overlapping planning systems). Integration of citizen engagement guidelines with LG Academy training reinforced coherence between policy and capacity building.
Coherence - KP	Strong coherence was observed between OSR reforms, service delivery, and land-use governance. The sequencing of “service first, then legalise fees” aligned fiscal measures with citizen acceptance, while LUBCA committees linked planning, regulation, and development approvals. Coordination with Agriculture Departments and universities (e.g., compost testing) reinforced cross-sectoral coherence.
Impact - Punjab	Early impacts include improved financial reporting discipline, expanded OSR (notably conversion fees in RYK), and demonstration of cost-recovering service delivery. These changes strengthen the foundations for future decentralisation and service autonomy but remain uneven at the lowest tiers due to capacity constraints.
Impact - KP	Early impacts include expanded fiscal space, improved service continuity (e.g., Mingora sanitation staffing), strengthened land-use control, and increased citizen willingness to pay for services. These outcomes demonstrate the programme’s theory of change at district and TMA level, though broader impact depends on provincial policy and financing decisions.

Sustainability - Punjab	Sustainability prospects are strongest where reforms are embedded in provincial systems (LGFMS, rules under LG Act 2019). However, FGDs in Kasur and Rahim Yar Khan highlighted persistent local capacity gaps, driven by skilled professionals’ preference for large cities, suggesting that sustainability at municipal level would benefit from more sustained embedded support.
Sustainability - KP	Sustainability is promising where reforms are institutionalised through councils, gazetted tariffs, LUBCA committees, and standard operating tools. However, scale-up remains constrained by factors beyond local control - high-capex disposal infrastructure, WSSC jurisdictional overlaps, and dependence on provincial budget approvals (e.g., dropped PC-1s).

Conclusion:

Overall, SNG-II’s work under Output 4 and Output 1.4 helped shift local governance in Punjab and KP from ad hoc, paper-based practices to more rule-bound, traceable systems by bringing local governments “on system” (LGFMS pathways), widening and legitimising OSR through digitisation and GIS-enabled enforcement, and embedding accountability and citizen engagement through adopted guidelines, rules, and structured workflows such as LUBCA committees. Sustainability and scale were strongest where ownership moved through formal decision forums and embedded support (more consistently in KP), and weakest where progress depended on constraints beyond local control, including disposal capex, TMA–WSSC jurisdictional grey zones, and reliance on provincial digital and political windows.

Recommendations

1. Anchor future reforms in operational prototyping, building on SNG-II’s demonstrated success. One of SNG-II’s strongest contributions was showing that complex local governance reforms are most effective when they are proven in practice before being codified. Through the Solid Waste Management (SWM) pilots in KP, the programme deliberately prioritised on-the-ground testing over abstract blueprinting, following a “service-first, then legalise the fee” sequence that aligned technical design with political and operational realities. This approach enabled local governments to stabilise services, build public trust, and only then formalise cost recovery - resulting in workable solutions such as low-capex ring and vertical composting units in Bahrain and Babuzai. Crucially, these pilots were not treated as standalone demonstrations; lessons from implementation were systematically distilled into a replicable SWM Playbook. Future programmes should adopt this balanced model - combining rapid, iterative piloting with timely codification - to ensure that reforms remain adaptable to local workflows while still producing scalable, system-ready guidance.

2. Integrate the Land-Use planning and urban finance. Another critical area is strengthening the nexus between Urban and Land-Use Governance and local finance. While SNG-II focused on operationalizing the Land Use Act, future efforts must ensure that land-use decisions are fully integrated into financial planning. This includes formalising the link

between GIS-based mapping and property tax/commercialization fees to create a predictable stream of non-tax OSR. By systematically identifying and taxing unauthorized structures or land-use changes - a clear area of local jurisdiction - programmes can simultaneously promote planned urbanization and unlock significant, legitimate revenue. This shift replaces reactive regulation with a proactive urban finance model, mitigating haphazard growth while fueling the municipal budget.

3. Strengthening Local Delivery, Finance, and Human Capital. This recommendation presupposes stronger local government infrastructure and an explicit political commitment to decentralisation; without these foundations, provincial fiscal consolidation will not translate into improved local service delivery. A key political economy constraint is the weak transmission from provincial resources to municipal execution, compounded by underdeveloped local financial systems, an inactive Provincial Finance Commission (PFC) framework, and acute capacity gaps at the district and municipal levels. Future local governance programmes should therefore retain and deepen embedded technical assistance at the district level in KP and extend this modality to Punjab, particularly for functions that require continuous hands-on support rather than periodic engagement.

A light but sustained embedded presence - building on SNG-II's experience - would strengthen local absorption capacity, directly address skill gaps identified in FGDs in districts such as Kasur and Rahim Yar Khan, and improve the durability of reforms. In parallel, priority actions should include establishing a practical local financial reporting system that gives provinces routine visibility over municipal cash balances, arrears, and own-source revenue performance, alongside restoring a functional PFC process that allocates transfers predictably and reviews outcomes. These system reforms must be reinforced through sustained investment in administrative capability, including a small, permanent Excise and Property Tax training unit delivering recurring, practice-oriented training through divisional master trainers, with certification explicitly linked to postings and career progression so that digital operations, audit discipline, and modern revenue practices become embedded institutional capacities rather than officer-specific skills.

3.7. Dropped Output: Innovation Challenge Funds (ICFs) and Partnership Opportunity Funds (POFs)

Considering the success of ICFs in SNG-I¹⁰³, they were continued in the SNG-II with initial allocation of almost one-quarter of the Programme Budget. The selection and finalisation of ICF pilots was a rigorous process which also involved the inputs of government in Reform Working Groups and Provincial Steering Committee. In fact, one of the ToRs of PSC was to “take note of funds management”¹⁰⁴. Two rounds of ICF were implemented until 2023. The ICF output was discontinued in 2024. The pilots were deliberately linked with programme outputs to support innovation across reform areas. Against a tightening Official Development Assistance environment, the decision was taken to close the ICF window and consolidate resources around core reform delivery.

¹⁰³ [Project Completion Report, SNG-I.](#)

¹⁰⁴ [Notification ECA-P&D-2019 - Planning & Development Board, Government of Punjab, 28th October 2019](#)

Below is the list of ICFs implemented in [Punjab](#) and [KP](#).

Table 11: ICFs in Punjab and KP

Pilot Intervention	Objective	Partners
Punjab		
Dynamic Financial Data Analytics	PIFRA data-based tool for budget execution analysis and forecasting	Government: Finance Department; Technology: TPI-LUMS
Integration of data bases for improved tax management	Integration of taxpayers' data available with various public sector institutions for effective tax administration	Government: Finance Department, Punjab Revenue Authority; Technology: Big Data; Netracon Pvt. Limited
PC-I digitalization	Digitization of all levels of PC-1s in SMDP	Government: Planning & Development Board; Technology: Punjab Information Technology Board (PITB)
Property Tax Innovation through Digital Technology (PTID)	Implement a system for detection of untaxed highway abutting properties and enforcement using technology in pilot districts of Faisalabad and Sahiwal	Red Buffer/ CERP
Smart monitoring and collection of Motor Vehicle Tax (MVT)	To implement a smart system of MVT enforcement and tax-payer facilitation	GCS Pvt. Limited
Expanding Access to Police E Khidmat Services using Speech based Technology	Developing Urdu speech based informational plate form for illiterate, poor and marginalised women & men	KICS-UET
Khyber Pakhtunkhwa		
Establishing E-payment Gateway System for ET & NC Department in KP	To establish a digital payment mechanism for revenue collection, making payment of taxes easier and discouraging corruption	Evamp & Saanga
Restaurant Invoicing Management System (RIMS) in KP	To develop and deploy a customer-centric Point of Sale system to enable real-time reporting of transactions and tax collected to KPRA, and incentivise restaurant owners	Comcept Private Limited
GIS Mapping of Properties for determining true property tax potential in KP	To develop an alternative model of commercial properties valuation for Urban Immovable Properties Tax (UIPT) that is not arbitrary and is based on true value.	Center for Governance and Public Accountability and Stepnex Private Limited
Universal Motor Registration System (MVRS)	To transition from the existing district-based motor vehicle registration (MVR) system to a province-wide universal MVR system to	Evamp & Saanga

	increase vehicle registration and tax collection	
Online Civic Service Centre in the TMAs of KP	To develop an online system where locals can request and pay for municipal services with minimum hassle, reducing physical visits, processing time, and corruption	Center for Governance and Public Accountability and Evamp & Saanga
Development Planning and Monitoring System at the Local Government Level	To establish an integrated system for evidence and criteria-based development planning and delivery, including identification, prioritisation, and budgeting, with an effective monitoring framework	Center for Policy and Development Initiatives

The core reason this evaluation considered exploring the dropped output was to draw insights about sustainability which can guide future grant making work. By focusing on the discontinued ICF output, the evaluation sought to understand factors related to the long-term viability and continuation of reforms to inform and improve the design and management of any subsequent, similar funding mechanisms. Below are the key observations/findings:

1. Except the SMDP (PITB) and PIFRA Analytics (TPI-LUMS) pilots, other pilots have not demonstrated satisfactory sustainability. Majority of the other initiatives have either become redundant or did not scale as expected.

2. ANPR (Automatic Number Plate Recognition) pilot in Punjab could not be scaled up primarily due to deep-seated resistance from field inspectors and a damaging lack of leadership continuity. Inspectors preferred the older, manual tax checking system because the new ANPR app was designed to eliminate the discretion they had over whether to ticket or release a defaulting vehicle. The ANPR system was an accountability tool: it automatically recorded and auditable how many cars an inspector checked, how many were detected as defaulting, and the resulting payments, which prevented inspectors from releasing cars at their own will. The inspectors actively avoided using the new app to maintain their traditional work process and discretionary power, undermining the system's innovative and transparent design. Another drawback was that the handover was not clubbed with capacity building. The Inspectors were not properly trained before instructing¹⁰⁵ them to use the new App.

The primary lesson learned is that sustainability hinges on overcoming human factors – at both higher and lower tiers. The ANPR pilot failed to scale not because the technology was flawed, but because of deep-seated resistance from field inspectors who actively sought to avoid a system that removed their discretion and increased accountability.

3. Data integration work for Punjab Revenue Authority was important and also helped meet the PRIDE DLI. However, the exercise lacked on one front. Instead of being a real-time

¹⁰⁵ [Notification: ANPR Mobile Phone Application For Recognition of Registration Mark of Vehicle, Office of Directorate General Excise and Taxation, Government of the Punjab, 23rd August 2024](#)

API based integration, the exercise is dependent upon data sharing from the concerned departments. The delays in data sharing will kill the very purpose of integration.

4. Restaurant Invoicing Management System (RIMS) pilot, which utilised a mobile app (RMRS), failed to scale up as expected primarily due to technical and hardware limitations. The core issue was that the tablets provided to restaurants were underpowered (e.g., 1GB RAM) and could not reliably run the software, causing them to "die" or "not tolerate" the application. This deficiency forced some restaurants to purchase their own laptops to continue using the web-based version of the system, which undermined the original mobile app concept and made a scalable rollout impractical. The resulting technical friction and the need for significant, expensive hardware upgrades, which the tax authority was not prepared to finance, slowed the process and prevented the system from achieving the expected balance and utilization across the target restaurants. However, in the future KPRA is poised to scale up the invoicing system by leveraging legislative support and enforcement mechanisms instead of providing hardware, a critical lesson learned from past reform efforts.

Here it is important to note that the idea was not SNG-II's. KPRA was already working on it and had also developed the software¹⁰⁶. SNG-II supported by building an App and arranging orientation workshops.

5. The GIS based survey could have been avoided because the ET&NCD KP had already contracted a firm¹⁰⁷ to do the survey in three districts of KP i.e. Abbottabad, Nowshera, and Peshawar. Merely, extending the work to other district was neither innovate nor challenging.

6. ZamaKP App (an MVRS tool) is not being used by the ET&NCD KP because after its handover, there was no support to fix the technical bugs. The officials were of the view that the department being actual beneficiary or client of the initiative had no say because it had not given the contract to the developer. Contract was between SNG-II and developer. Future grants should try to fix this loophole so that departments have a better control over the developers.

7. LGE&RDD of KP had explicitly warned (in a letter dated December 6th, 2021) against developing the Local Planning and Monitoring System because it was a duplication¹⁰⁸. The same was communicated in the 7th PSC¹⁰⁹ held on 8th December 2021. Even then, the work was awarded to Center for Policy and Development Initiatives (CPDI) with effect from February 2022.

Recommendations

¹⁰⁶ [Letter from LG on dropping PMM, Local Government, Elections & Rural Development Department, Government of Khyber Pakhtunkhwa, 6th December 2021](#)

¹⁰⁷ [Minutes of the Meeting with SNG-II Kyber Pakhtunkhwa Programme, Directorate General Excise and Taxation, Government of the Khyber Pakhtunkhwa, 7th January 2021](#)

¹⁰⁸ [Letter from LG on dropping PMM, Local Government, Elections & Rural Development Department, Government of Khyber Pakhtunkhwa, 6th December 2021](#)

¹⁰⁹ [Minutes of the 7th Project Steering Committee\(PSC\) Meeting of FCDO Assisted KP SNG-II Programme, Planning and Development Department, Government of Khyber Pakhtunkhwa, 8th December 2021](#)

1. The first recommendation for future programmes is about giving the departments a real sense of control, which comes through contractual authority. The contract was between SNG-II and the vendors. This contractual loophole meant departments could not demand fixes for technical bugs after the handover, proving that for future grants, the client department must have better control over developers to ensure post-pilot maintenance and viability. Going forward, tripartite contracts should be explored which give the government post-pilot cover.

2. For future digital interventions, external technical assistance programmes should mandatorily engage or at least consult the provincial government's internal IT institutions, such as the Punjab IT Board (PITB) and KP IT Board (KPTB). These institutions possess a long-term footprint within the government, and the government has the legal authority to utilise their services and demand continuous support in the long run. Partnering with these established government entities, or tasking them with post-delivery services, mitigates the risk of pilot redundancy caused by the non-renewal of contracts with external private vendors.

3.8. Accountability and Inclusion

Through a cross-cutting *Accountability and Inclusion* theme, SNG-II supported the Government in creating systems and mechanisms that can sustain an evidence based, inclusive planning and budgeting process. In addition, the team ensured that relevant personnel are capacitated enough to implement inclusive strategies in the long term; and that citizen's voices are captured through consultations to leave no one behind. Notably, by the end of the Programme's cycle, SNG-II had introduced inclusive markers in the planning process, formulated a methodology for Governments to track their planned and actual expenses on women, girls, minorities and vulnerable populations, included voices of marginalised communities in the budgeting process, and built capacity of key personnel involved in the aforementioned institutional processes. In addition, SNG-II's Accountability and Inclusion Advisors provided technical guidance and support to all other work streams, including most importantly, in conducting needs assessments and designing social protection policies for all marginalised groups and vulnerable people.

Governments of Punjab and KP have had their own women development policies in 2018 and 2017, respectively. The Punjab Women Development Policy aims to *eliminate and systemically eradicate manifestations of explicit and implicit gender discrimination across all spheres of society including governance, development and livelihood*.¹¹⁰ The Policy and its Implementation Framework (2019) prescribe the central role of creating gender sensitive planning mechanisms and processes to the Women Development Department. In KP, the Government launched the Women Empowerment Policy Framework in 2017, and has since been implementing policy reforms, gender audits and gender based analysis of health and education sector plans through the KP Commission on the Status of Women (KPCSW).¹¹¹ In

¹¹⁰ Objectives of the Women Development Policy, Punjab

¹¹¹ Gender Mainstreaming Toolkit, KP Commission on the Status of Women

addition, the Planning and Development Department houses a Social Protection and Gender Mainstreaming section mandated to provide technical assistance to government counterparts to integrate gender equality and social protection in planning and development and promote its implementation.¹¹²

Although policy and institutional apparatus existed on paper, diagnostics by SNG-II revealed another story. In both provinces, inclusive planning and budgeting exercises were superficially undertaken by departments, lacked in-depth analysis of gender and social issues, and had little to no impact on the planning process. [Provincial planning processes](#) were noticeably disorganised and haphazard, with Planning Officers performing routine departmental tasks instead of giving strategic input in the preparation of sector plans, design of development projects, and monitoring of ongoing projects. Planning Cells had inadequate technical understanding to perform social, environmental and gender-based analyses, with limited access to verifiable data.¹¹³

In light of the above, the Equity, Inclusion, Accountability and Transparency Strategy was developed by SNG-II to achieve an inclusive, transparent and accountable governance in Punjab and KP. Building upon strengthened planning and budgeting systems established by SNG I, the [Accountability and Inclusion theme](#) aimed to create a gender sensitive performance culture across the civil service; enable fiscal decentralization based on evidence of local needs, and improve fiscal efficiency and revenue collection to fund those needs. Given its goals, SNG-II's technical assistance programme was welcomed by all stakeholders to aid achievement of inclusive governance stemming from inclusive planning and budgeting processes.

SNG-II played a pivotal role in embedding gender equality and social inclusion (GESI) across Punjab and KP by providing high-quality technical assistance through its Accountability and Inclusion (A&I) teams. ***To what extent did these reforms shift day-to-day decision-making (who gets prioritised in the ADP and budget, and on what evidence), and what minimum institutional arrangements are needed for departments to sustain GESI practices without embedded technical assistance?*** The following findings provide an answer to these questions¹¹⁴.

1. **SNG-II's Accountability & Inclusion (A&I) workstream delivered a coherent, strategic approach to embedding inclusivity and transparency across programme reforms.** It built coalitions (Reform Working Groups/Steering Committees), used diagnostics and capacity building to compensate for the lack of explicit GESI targets, and mainstreamed citizen engagement and inclusive budgeting through tools such as the Citizens' Engagement Framework and pre-budget consultations. Strong alignment with provincial

¹¹² Strategic Plan of SP&GM, Planning and Development Department, Government of KP

¹¹³ Ibid.

¹¹⁴ The detailed analysis behind these findings is presented in Annex A.3.7.

and national priorities - combined with donor coordination through Steering Committees - helped avoid duplication and strengthened ownership in both Punjab and KP¹¹⁵.

2. **The A&I teams in Punjab and KP provided relevant, effective, and efficient support by combining strong technical expertise with an embedded, responsive delivery model.** Stakeholders in both provinces credited the teams for needs-based interventions, consultative ways of working, and practical “firefighting” support - particularly in developing PARA Standards, requiring gender-disaggregated evidence in planning, and strengthening social inclusion and environmental assessments in project approval. Efficiency was reinforced through Steering Committees and donor coordination mechanisms that streamlined approvals and reduced duplication, while the mixed team structure (bureaucrats plus technical experts) helped navigate government processes and respond quickly during COVID-19 (e.g., vulnerability assessments¹¹⁶.
3. **Sustaining gender-responsive planning reforms in Punjab requires clear institutional ownership and a dedicated technical home within the P&DD¹¹⁷.** While SNG-II support has already improved PC-I quality, ADP guideline application, and the use of gender-disaggregated administrative data, stakeholders stressed that inclusive planning is a long-term change process that needs continuous capacity building and leadership. The main gap identified is the absence of a gender-focused unit/team in Punjab’s P&DD - unlike KP’s SPGM unit meaning reforms risk fading without an internal cadre of technical experts; the Women Development Department is not well placed to fill this role due to limited capacity and resources.
4. **SNG-II’s pivot into social protection demonstrated how GESI can be operationalised quickly** through crisis-responsive reforms, with particular added value where programmes intentionally recognised minority vulnerabilities¹¹⁸.
5. **SNG-II enabled significant progress toward inclusive, gender-responsive, and evidence-based planning in both Punjab and KP by embedding inclusion requirements into core planning rules, tools, and data systems¹¹⁹.** It strengthened ADP Guidelines and Planning Manuals to mandate gender-disaggregated evidence, vulnerability and social inclusion analysis, and stakeholder consultations with marginalised groups; it also developed indicator frameworks (shared across departments and formally notified in KP) to guide PC-1 preparation and appraisal. In Punjab, reforms advanced further through a rule-based, automated PC-1 review template uploaded on SMDP - requiring evidence on need, social impacts, and consultation - while KP saw strong gains through Planning Cell ToRs and better sector

¹¹⁵ KII: GPB01 (Secretary, P&DB, Punjab), GKP03 (Chief, SP&GM, P&DD, KP), GKP04 (Former Chief IDS, P&DD, KP)

¹¹⁶ KII: IPB08 (Additional Finance Secretary (Budget), Finance Dept. Punjab), GPB03 (Chief Coordination, P&DB, Punjab), GKP04 (Former Chief IDS, P&DD, KP), GPB06 (Former Chairman, P&DB, Punjab), GPB10 (Syed Masood Nouman, Former Special Secretary)

¹¹⁷ KII: GKP03 (Chief, SP&GM, P&DD, KP), GPB05 (Former Secretary, P&DB, Punjab), GPB04 (Chief SDGs Unit/Formal Joint Chief Economist, P&DB, Punjab), GPB02 (Chief Environment, P&DB, Punjab)

¹¹⁸ KII: GKP18 (Assistant Director, Project Director and Research Officer, PP&SPRU, KP)

¹¹⁹ KII: GPB05 (Former Secretary, P&DB, Punjab), SKP03 (A&I Advisor, SNG KP), GKP03 (Chief, SP&GM, P&DD, KP), SPB03 (A&I Advisor, SNG Punjab)

planning, though the PC-1 template has not yet been fully institutionalised; overall, the evaluation finds visible improvements in PC-1 quality and inclusive planning practice, but notes reforms need time and continued follow-through to mature into a sustained “gender-sensitive” planning culture.

6. **SNG-II strengthened inclusive, evidence-based planning by building the capacity of Planning Officers and Cells in both Punjab and KP, but sustained results depend on regular in-service training beyond induction**¹²⁰. Punjab benefited from a structured training manual and ToT approach (later condensed into a shorter module), while KP’s orientation on revised mandates/ToRs helped Planning Cells shift toward more strategic project design; overall, repeated refresher trainings are needed to deepen uptake of new tools and sustain improvements in PC-1 quality after programme exit.
7. **SNG-II’s PARA Standards strengthened PC-1 appraisal in Punjab and KP by introducing a uniform, data-driven scoring toolkit that aligns projects with provincial priorities and mandates financial, social inclusion, and climate/risk assessments**¹²¹. Evidence from before-and-after PC-1 reviews shows more holistic needs/risk analysis and growing officer reliance on the scoring system, with Punjab notably institutionalising the standards within P&DD processes.
8. **SNG-II advanced inclusive budgeting in Punjab and KP by introducing Gender Budget Tagging (GBT) and institutionalising participatory entry points such as Pre-Budget Consultations (PBCs)**¹²². The process was consultative - using working groups, steering committee oversight, and training of finance officials - and helped generate actionable citizen-informed measures (e.g., KP’s GBV helpline) and relatively high uptake of PBC recommendations in Punjab. However, GBT remains nascent and not yet institutionalised, and stakeholders noted it needs stronger fiscal anchors (e.g., a gender fiscal framework and medium-term targets) to sustain impact after SNG-II’s exit.
9. **ICF pilots were largely gender-blind in design, yet still produced inclusion “spillovers” - highlighting both the limits of unintended benefits and the value of intentionally designed outliers like Kasur’s SWM engagement.**
10. **SNG-II strengthened inclusive governance by developing Citizen Engagement Guidelines and embedding them in provincial training systems - endorsed by LG&CDD Punjab and LGE&RDD KP, integrated into Punjab’s LG Academy curriculum and KP’s LMS.** While this institutionalisation provides a base for sustainability, continued impact depends on regular training delivery and retaining technical capacity/master trainers after programme exit.

Conclusion: SNG-II generated meaningful momentum for gender equality and social inclusion in both Punjab and KP by normalising a more evidence-based conversation in government - one that considers gender, inclusion, and impact on marginalised communities as part of planning and budgeting choices. Over six years, several practices introduced through SNG-II support became “how things are done,” helping departments move toward a more participatory and results-oriented culture. Stakeholder interviews

¹²⁰ KII: GKP03 (Chief, SP&GM, P&DD, KP), GKP03 (Chief, SP&GM, P&DD, KP), SPB03 (A&I Advisor, SNG Punjab)

¹²¹ KII: GKP04 (Former Chief IDS, P&DD, KP), SPB03 (A&I Advisor, SNG Punjab)

¹²² KII: SKP03 (A&I Advisor, SNG KP), GPB09 (Chief Coordination, P&DB, Punjab), SKP03 (A&I Advisor, SNG KP)

suggest, however, that protecting and scaling this progress will benefit from a follow-on phase of technical assistance - focused less on introducing new ideas and more on consolidating a comprehensive strategy and rolling reforms out consistently to line departments.

Recommendations: Supporting exit of SNG-II, a follow up short-term technical assistance programme is recommended to institutionalise inclusive reforms in both Punjab and KP. In this regard, a 2-year FCDO funded programme to aid setting up of a Gender Unit at the P&DB Punjab, and strengthen the SPGM Unit in P&DD KP is envisaged.

1. Shape gender and inclusion targets for TA Programmes. Notably, SNG-II did not have clearly framed gender and inclusivity goals. The Business Case for SNG-II rooted its case for a cross cutting accountability and inclusion theme in weak governance and service delivery, poverty, inequality, economic growth, inequitable policies, comparative good governance models, and Provincial and Federal development targets. Baseline assessments laid grounds to intervene, and the model worked efficiently to include gender sensitive, inclusive measures into as many milestones and indicators as possible. However, future technical assistance programmes must directly respond to principles and themes highlighted in FCDO's International Women and Girls Strategy 2023 – 2030, Strategy, and enable successors to build upon achievements for former programme cycles. In addition, exit strategies following successful programmatic implementation must also comply with principles mentioned in the Strategy, to ensure minimal losses following donor exit.

2. Institutionalise Gender Unit or Specialist at the P&DD, Government of Punjab. Stakeholders across Government of Punjab emphasised the need for a Gender Unit within the P&DD. While the Women Development Department's Strategic Policy Unit is also mandated to ensure inclusive planning, there is limited evidence of the SPU's technical capacity to undertake inclusive, evidence based planning and budgeting tasks. In this regard, an ADP scheme to set up a Gender Unit, on the pattern of the Climate Finance Unit at the P&DD must be formulated for approval in the ADP cycle for FY 26-27.

A Gender Unit or team of Specialists at the P&D Department Punjab must be tasked with the major goal of ensuring an evidence-based, inclusive and gender sensitive planning and budgeting process. Using Reform Working Groups as a model, the P&DD must use the Gender team to continue liaison with the Finance department and jointly convene evidence based planning and budgeting processes.

3. Strengthen SPGM Unit at the P&DD, Government of KP. The SPGM Unit at the P&DD, Government of KP was set up in 2020 to provide strategic direction for design and delivery of gender focused programmes, and ensure that development projects support women's empowerment, reduce gender gaps, and protect the rights of vulnerable people.¹²³ Owing to its strategic location at the P&DD, it is able to provide gender-based, inclusivity-focused input to the P&DB and line departments. With this context, the SPGM Unit is certainly the institution to take forward reforms introduced by SNG-II.

¹²³ SPGM Unit Annual Achievement Report 2021-22

Table 12: DAC Findings of A&I Workstream

Criteria	Finding
Relevance	Critical action taken by SNG-II's Accountability and Inclusion theme was deemed relevant to fill gaps in planning and budgeting process, to ensure inclusivity of all voices, accountability at all stages of planning processes, and representation of vulnerable groups. Actions taken include pre-budget consultations, gender budget tagging, PARA standards, citizens' engagement exercises, revision of PC-1 templates, mandatory inclusion of revised format on SMDP, etc.
Coherence	The reforms in Punjab showed strong internal coherence by explicitly linking upstream strategy (Punjab Growth Strategy, Planning Reform Strategy) to downstream execution. PC-1 automation, appraisal standards and tagging reforms connected ADP design to budget preparation, release and monitoring. In addition, the A&I team avoided duplication and repetitive exercises, due to constant coordination with relevant departments, and approvals obtained through Provincial Steering Committees.
Effectiveness	Results were strongest where tools were embedded in everyday processes: the SMDP/PC-1 digitization increased visibility and routing discipline; appraisal templates and checklists raised the quality threshold; and revised formats normalized gender and climate considerations. TA provided by embedded consultants enabled hands-on problem solving, helping departments revise project proposals (PC-1s) before submission.
Efficiency	Reportedly, teams were quick to respond to Governments' demands and helped them create strategic documents when necessary. In addition, gaps in policy, planning and budgeting exercises were addressed strategically through creation of eg. TORs for Planning Cells, which adds to long term efficiency of staff in Departments.
Impact	In both KP and Punjab, SNG II's strategic gender and inclusion actions provided the Government with necessary impetus to integrate gender based concerns into planning and budgeting processes. Discussions around inclusive practices, gender sensitivity and gender based analyses took place in departments. In addition, Planning and Budgeting staff possessed capacity to undertake in-depth analyses into gender based consequences of projects and measures introduced by the Government.
Sustainability	Measures introduced by SNG II to make planning and budgeting process more gender responsive are promising. However, their sustainability can only be ensured through departmental uptake and implementation following SNG II's exit. While SNG II did build capacity of Officers to continue application of eg. the GBT methodology, pre-budget consultations, application of the PARA standards, etc., long term implementation will only be guaranteed if the P&D and Finance Departments continue their application in every successive financial year. While KP has a gender unit within the P&D, Punjab lacks one; this is expected to contribute towards the short lived nature of SNG IIs reform work, unless the Government is aided technically to set up a gender mainstreaming unit similar to the one in KP.

3.9. Political Economy

The political economy related findings in this section answer one overarching question: **how did SNG-II shift the balance of power, incentives, and accountability within provincial and local systems - so that reforms moved from discretionary, relationship-driven decisions to rule-bound routines that can survive turnover and fiscal stress?** Put differently, the findings trace where the programme changed *who gets to decide, on what basis, and with what consequences* across the reform chain -from controlling entry into the ADP pipeline (Output 1), to forcing real trade-offs under unified budget ceilings (Outputs 1.2–1.3), to “locking in” social protection through operating systems rather than promises (Output 2), and finally to the hardest bargains of all: raising/retaining revenues and converting them into visible services through politically feasible sequencing and routinised enforcement (Outputs 3–4, with KP local governance as the clearest illustration).

1. Output 1: Planning capability - control over ADP entry. Across both provinces, reforms primarily altered who controls entry into the ADP pipeline and how discretionary that entry remains. In Punjab, PARA standards and the SMDP portal functioned less as “better templates” and more as gatekeeping instruments that shifted leverage toward P&D by introducing traceable thresholds and a single digital workflow. For example, removing Finance’s “audit copy” step compressed release-order processing from roughly 21 days to as little as 3 (sometimes 1) - reducing informal choke points and making delays more attributable.

In KP, the contest played out through institutionalising the planning function: ToRs for Planning Cells across 21 departments converted informal practice into formal responsibility, which is especially consequential in a Provincial Planning Service context where rotation can dilute sector expertise. KP’s PARA support was initially considered as an “audit-like intrusion”. The confidence was built through embedded co-working rather than one-off training, with uptake strengthening once higher-priority schemes were brought into the process.

2. Outputs 1.2–1.3: Budget making and execution - trade-offs under unified rules. The central political economy shift under budget reforms was a move away from parallel bargaining toward forced trade-offs under unified ceilings and rules. In Punjab, the PFM Act 2022 and subsequent routines - an Integrated Budget Call Circular, and JBPC hearings - created a setting where departments had to defend both development and non-development demands within one ceiling, reducing duplication and changing incentives. The Sports Department case signalled this shift: JBPC enabled reallocation toward maintenance of existing assets - fiscally rational but typically politically less visible in fragmented processes.

In KP, ending the current/development staff split and instituting integrated budget forums similarly constrained departments’ ability to run two separate conversations. KP’s additional measures - OBB ownership, mapping of 800+ schemes, dashboards, and CM-launched performance reporting - raised the political cost of claiming ignorance about slippages, even as evidence indicates timing and “ritualisation” risks where forums occur too close to budget day.

3. Output 2: Social protection - durability through routine building. Institutional delivery capacity gains were most visible where programmes became governable systems rather than discretionary promises. In Punjab, Ba-Himmat Buzurg became politically durable less because of its intent and more because PSPA could run it through eligibility rules, SOPs, manuals, and benefit-adequacy logic - making it auditable, and adjustable during fiscal or leadership shocks. PSER reflected the same logic: contributions through the core working group, design inputs, and cross-validation against administrative datasets helped convert registry development into operational decision-support (e.g., 8.9 million families registered; 3 million deemed eligible for the 2025 Ramzan package using a PMT cutoff).

In KP, this “make it governable” approach was reflected in SPETS, the blueprint for a provincial Social Protection Authority, Rules of Business anchoring, and a Disaster Risk Financing Strategy - tools that consolidate scattered schemes into a portfolio that Finance and Planning can see, negotiate, and justify.

4. Outputs 3–4: Fiscal space and local governance - hard bargains on revenue and services. Fiscal space and local governance reforms concentrated on the most politically contested terrain: raising/retaining revenue and converting it into visible services. In Punjab, fiscal-space gains relied on cabinet-anchored mandates (Revenue Mobilisation Strategy; Pension Reform Plan) and administrative designs that reduced discretion and conflict. PRA’s shift toward risk-based audits and bank collection for digital services (reported PKR 3.1 billion since Nov 2024) made enforcement less personalised and more rules-based; contributory pension reform and corrections linked to commodity debt/idle balances addressed politically uncomfortable liabilities by pairing technical solutions with institutional homes that outlast electoral cycles (e.g., PFM Unit). Under local governance, LGFMIS rollout and TTIP digitisation -routing collections directly into local government accounts, with early reports of 30–40% OSR increases - rebalanced power away from manual handling and leakage-prone interfaces. Citizen Engagement Guidelines and the Kasur SWM pilot further illustrated a “services-for-taxes” bargain, while also highlighting political risk where pilots concentrate in better-off neighbourhoods.

5. KP local governance - sequencing, consent, and routinised enforcement. KP’s local governance results were most durable where reforms combined political sequencing with transparent process. TMAs revised fee schedules through council engagement and public notice windows (e.g., Dir ending a freeze since 2012; Swabi after two decades; Shangla expanding heads from 4 to ~50), indicating that revenue measures advanced when legitimacy-building steps were visible. SWM performance strengthened where the sequencing held: deliver reliable door-to-door service first, then legalise/gazette the fee - supported by low-capex composting and staff incentives. Mingora’s experience made the payoff concrete: OSR improvements reportedly helped retain 100 of 300 sanitary workers during fiscal stress. In parallel, operationalising LUBCA through district committees demonstrated that legal frameworks become usable when meeting cadence, routines, and defensible paper trails are built - not only when legislation exists.

Recommendation: Institutionalise scale-up pathways to extend proven SNG-II models - by deliberately picking up from where SNG-II left off. Building on SNG-II’s strong proof-

of-concept and adoption across multiple areas, the most effective strategy for future programmes is to consolidate and scale what is already working, rather than restarting reform design cycles. Doing so would help reduce the start-up inertia – that typically slows the new programmes - by leveraging existing political buy-in and operational familiarity, and minimising implementation risk because tools, SOPs, and workflows have already been tested in real conditions. Future programmes should therefore formalise a light Scale-Up Pathway for each successful model (e.g., a digital workflow, an OSR instrument, or a service-delivery pilot). This pathway should simply set out: replication criteria, unit costs, financing source, responsible entity, and a 12–18 month rollout plan - so government can extend mature, tested interventions into additional districts/departments as fiscal space and political windows open.

3.10. Value for Money

Economy – “Spending less”¹²⁴

SNG-II delivered high-quality technical assistance at competitive cost by:

- Maintaining a lean embedded TA model - pairing civil-service secondees with technical specialists, avoiding parallel structures and ensuring daily transfer of skills.
- Using local expertise and short-term specialists rather than long-term expatriate staff, reducing overheads and maximising contextual knowledge.
- Avoiding duplication by aligning its diagnostic work with existing PEFA, PIMA, and Ehsaas frameworks rather than commissioning separate studies.
- Donor complementarity avoided duplication of spend. SNG-II concentrated on “soft systems” (rules, governance, institutional design) while partners such as the World Bank and GIZ funded hardware/infrastructure and specialist depth - so the programme did not pay twice for the same reform ecosystem.
- Punjab worked mainly through LG&CDD and PMDFC rather than maintaining a heavier district footprint; the report explicitly notes this had a *rational basis given the absence of fully functioning local governments* - a cost-conscious modality choice that still delivered comparable results.

These measures kept administrative costs below comparable governance programmes while ensuring continuous technical presence inside P&DDs and Finance Departments.

Efficiency – “Spending well”

Efficiency gains were realised where resources were converted rapidly into tangible reform outputs:

¹²⁴ The evaluation team couldn’t access SNG-II’s detailed financial and expenditure data, as these records are proprietary under the contractual agreement between the Implementing Partner (OPM) and FCDO/. As a result, the Economy assessment relies primarily on qualitative evidence (interviews, programme documentation, staffing and delivery modality review, and triangulation with comparable governance programmes.

- Co-location of advisors shortened feedback loops and file processing times (e.g., PC-1 approval time in Punjab reduced from 21 days → 3 days after SMDP automation).
- Hybrid staffing meant government officers and advisors worked as single teams, producing deliverables (laws, manuals, dashboards) with minimal re-work.
- Iterative work planning allowed re-allocation of effort toward high-traction areas -e.g., pivot to climate finance and fiscal-risk reforms during COVID-19 shocks.
- Low-capex service delivery choices in SWM pilots improved economy in local governance pilots. In KP's Output 4, the use of *low-capex IRRC-inspired SWM solutions* reflects a cost-conscious design choice - achieving service improvements without large capital-heavy models that are expensive to operate and hard to sustain.

Overall, delivery efficiency was strengthened by adaptive management, embedded learning, and early institutionalisation of reforms into notified rules or manuals.

Effectiveness – “Spending wisely”

SNG-II achieved systemic results disproportionate to its scale:

- In planning and budgeting, PARA standards, the Planning Reform Strategy 2025, MTFP supported by SNG-II's PIFRA Analytics pilot, and unified ceilings fundamentally improved allocative discipline.
- In fiscal space, new revenue sources (digital services, abutting-property tax, debt efficiency) generated or safeguarded ~ £1.9 billion in fiscal savings/gains.
- In social protection, institutionalisation of the PSER, SPETS, and shock-responsive mechanisms ensured recurrent savings through accurate targeting and reduced duplication.
- In local governance, OSR and SWM pilots demonstrated that targeted systems reforms can generate practical VfM gains at municipal level.

Equity – “Spending fairly”

Equity principles were mainstreamed throughout SNG-II's design and results:

- Introduction of gender and climate budget tagging in both provinces embedded inclusive lenses in routine PFM processes.
- Inclusive consultations during ADP and budget preparation brought voices of women, minorities, and vulnerable groups into provincial planning cycles.
- Social protection schemes designed with SNG-II's support (e.g. Bahimmat Bazurug) directly targeted marginalised populations, demonstrating how governance reforms translated into tangible equity outcomes.

- Geographic equity is poised to improve through spatial vulnerability mapping, enabling more balanced regional allocations.
- Equity architecture moved from “standalone gender activities” to an integrated reform package. SNG-II’s Accountability & Inclusion work was most effective when delivered as an organised package - supporting inclusive planning/budgeting systems, building capacity, and ensuring citizen voices are captured to “leave no one behind.”

The programme thereby satisfied the “leave-no-one-behind” commitment, converting governance reform into social inclusion outcomes.

Overall VfM judgement (4E conclusion)

Taken together, the evidence supports an overall VfM judgement of Good to Very Good Value for Money. On economy, SNG-II kept input costs proportionate to need. On efficiency, the programme consistently converted advisory inputs into operational reforms that reduced transaction costs and cycle times - most clearly through digitised workflows, standardised toolkits, and adaptive work planning that maintained momentum during shocks. On effectiveness, SNG-II’s strongest VfM feature is that many outputs were institutionalised as laws, manuals, notified processes, and system routines, extending benefits beyond the programme period and generating recurring gains in allocative discipline, fiscal management, and service delivery systems. On equity, inclusion was not treated as an add-on but embedded into core PFM and social protection systems through tagging, registry-based targeting, and consultative mechanisms, improving the fairness and reach of public spending.

3.11. Summary of Recommendations

In the Table below we present a summary of the recommendations documented in the preceding sub-sections of Chapter 3. The Table is followed by some other cross cutting recommendations for future programmes.

Table 13: Summary of Recommendations

Reform area / output	Recommendation	What it means in practice (key actions)	Lead / key counterparts	Priority
Cross-cutting (Adaptive management / MEL)	Build “accountable agility” into MEL (Two-tier RBM: Tier A & Tier B)	Ring-fence a fixed core of outcome indicators (Tier A) for the full cycle; create a managed adaptation space (Tier B); report Tier A vs Tier B separately.	Donor & Programme MEL; Finance & P&D Steering structures	High
Cross-cutting (Scale-up)	Institutionalise scale-up pathways for proven models	For each proven reform/pilot, define: replication criteria, unit cost, financing source, responsible entity, and a 12–18 month rollout plan	P&D Boards; Finance; LG Depts; implementing partners	High

Output 1.1 Planning	Strengthen risk-aware appraisal	Make risk artefacts mandatory for PC-1 entry (FX/inflation sensitivity, key risk register); assign preparation/validation to permanent institutions (e.g., PERI, Bureaus of Statistics)	P&D Boards; PERI/BoS	High
Output 1.1 Planning	Push quality upstream to line departments	Shift from “gatekeeping” to coaching: deploy appraisal toolkits and coaching inside line departments so PC-1s are high quality at source	P&D Boards & line departments	High
Output 1.1 Planning	Strengthen M&E capacity of Planning Departments	Build the ladder from ex-ante appraisal → implementation monitoring → endline evaluation capacity (linked to completion/PC-4/final evaluation routines)	P&D Boards; evaluation/M&E units	Medium
Output 1.1 Planning	Assess feasibility of a Planning Cadre in Punjab	Review KP planning cadre experience and ToRs; if beneficial, design an implementable cadre/HR pathway for Punjab	Punjab P&D; S&GAD; KP P&D inputs	Medium
Output 1.1 Planning	Strengthen PPP regimes (value-for-money, risk allocation, mandates)	Clarify PPP unit vs line dept vs law roles; harden contract/risk allocation capacity; ensure fiscal risk safeguards sit in PPP authority	Finance & PPP Authorities & Law	Medium
Programme modality	Preserve the embedded, adaptive TA model	Advisors sit inside departments working on live files; retain adaptive workplanning to respond to shocks and political windows	Future TA programme & P&D/Finance	High
Programme modality (ownership)	Disclose TA resource envelopes upfront	Transparent staffing/effort ceilings by output; clear reallocation rules to manage demand and reduce “guest” dynamic	Donor & TA management; government counterparts	Medium
Capacity building (institutionalisation)	Mainstream PARA beyond induction	Embed PARA modules into mid-career and senior promotion-linked trainings; not just entry-level courses	Provincial training academies; P&D	Medium
Output 1.2–1.3 Budgeting/execution	Make cash, debt, risk, and resilience steady routines	Keep idle-cash policy active; phase TSA; integrate disaster & social protection tracking into budget calendar	Finance; DMU/PFM units	High
Output 1.2–1.3 Budgeting/execution	Move from tagging to financing (gender/climate)	Shift from “track what exists” to normative targets (e.g., % of spending climate-resilient by FY 2028) embedded in MTF/ceilings/reviews	Finance & P&D & CFU/SPGM	Medium

Output 1.2–1.3 Budgeting/execution	Explore interim devolution pathways (counter centralisation)	Ring-fence local service budgets; delegate defined execution/OSR powers by administrative orders; add sunset clauses to transfer functions to elected LGs when constituted	Provincial govts; LG Depts; Finance	Medium
Output 1.2–1.3 Budgeting/execution	Strengthen internal audit in line departments	Create/empower departmental internal audit units for real-time value assurance (not post-facto compliance)	Line departments; Finance (oversight)	High
Output 1.2–1.3 Budgeting/execution	Anchor reforms in government-approved strategies	Start with diagnostics → government-approved strategy; then lock-in via workflow restructuring & permanent units (PFM/DMU/PRMU/CGU)	Finance & P&D	High
Output 2 Social protection	Blend people-based targeting with place-based need	Sustain PSER & Spatial Vulnerability Index coupling; use admin datasets as wealth filters when federal poverty data lags	PSPA / SP sections; BoS; P&D	High
Output 2 Social protection	Treat strong designs as public goods that can scale	Fund “design packages” (rules, SOPs, manuals, approvals) robust enough to be absorbed by larger platforms (WB/ADB)	PSPA/SP units; donors/partners	Medium
Output 2 Social protection (KP)	Establish KP Social Protection Authority; fix overlaps	Legal establishment & organogram; transition functions from project units; clarify SPGM/secretariat role	KP Pⅅ SPGM; Law/Finance	High
Output 2 Social protection (KP)	Complete integrated data spine	Formal data-sharing protocols/NDAs; role-based access; link MIS ↔ SPETS for unified beneficiary–spend–results view	KP P&DD/SPGM; Finance; IT Board	High
Output 3 Fiscal space	Institutionalise and scale data integration (Punjab → KP transfer)	Finance-led mandate; phased readiness (digitisation, cleaning, unique IDs); periodic exchanges before APIs; incentives for non-revenue agencies	Finance; PRA/ETD/BOR; analytics unit	High
Output 3 Fiscal space	Operationalise risk-based audit as a system	Create a risk & intelligence function; auto-case selection as default; governed discretion; iterative improvement via audit feedback	PRA/KPRA; Finance oversight	High
Output 3 Fiscal space (Punjab)	Finish the pension reform operational chain	Account opening for new hires; payroll-linked monthly funding; AG coordination; onboarding of fund	Finance; AG; pension entities	High

		managers/custodians/auditors		
Output 3 Fiscal space	Rationalise revenue architecture & target high-potential bases	Shared services (IT/appeals/audit) or staged unified authority; scale Highway-Abutting Properties Tax; expand bank-mediated collection for digital/online sectors	Finance; revenue agencies; highways/LGs	High
Output 4 Local governance	Anchor reforms in operational prototyping & codify into playbooks	“Service-first, then legalise fee” sequencing; rapid pilots → codified SWM playbook and replicable SOPs	LG Depts; TMAs/MCs; PMDFC	High
Output 4 Local governance	Integrate land-use planning with urban finance	Link GIS mapping to commercialization/property-related fees; use land-use enforcement as a legitimate OSR stream	LG Depts; LUBCA bodies; revenue units	Medium
Output 4 Local governance (system & capacity)	Strengthen local delivery, finance, and human capital	Extend embedded TA to Punjab; routine local financial reporting (cash/arrears/OSR); restore functional PFC process; create certified E&T training unit with career-linked incentives	LG Depts & Finance; training institutions	High
Dropped output (grants/innovation)	Fix contract ownership via tripartite arrangements	Government department as true client with post-pilot maintenance leverage; clear handover & bug-fix obligations	Donor/TA & line dept & vendor	Medium
Dropped output (digital sustainability)	Mandate partnership/consultation with PITB/KP IT Board	Use internal IT institutions for continuity; task them for post-delivery support where feasible	PITB/KPTB & departments	High
Accountability & Inclusion (A&I)	Set explicit gender & inclusion targets aligned to FCDO WGS 2023–2030	Define measurable GESI objectives from the outset; ensure exit strategy protects gains	Donor & programme; P&D/Finance	High
Accountability & Inclusion (Punjab)	Institutionalise a Gender Unit in Punjab P&DB	Create an ADP scheme (FY26–27) for a Gender Unit (like CFU); convene working groups; steward inclusive planning/budgeting	Punjab P&DB	Medium
Accountability & Inclusion (KP)	Strengthen SPGM Unit as custodian of reforms	Staff/skills reinforcement; sustain training and oversight of inclusive planning/budgeting routines	KP P&DD (SPGM)	High

i. Get the draft documents approved or notified. There are certain policies, rules, and manuals which are in the form of drafts. Examples include KP Housing Policy, KP Budget

Rules, KP Budget Manual, KP Disaster Risk Financing Strategy, Punjab Planning Manual, Punjab Asset Management Policy. FCDO should include getting them approved/notified in the agenda of other ongoing programmes like National Governance Programme or SEED so that real value for money can be extracted for all the effort that has gone into the above-mentioned products. Government's own agencies, e.g. Punjab Resource Management and Policy Unit (PRMPU), could also be assigned this duty. Furthermore, such permanent units should be treated or prepared as successors of the programme in future rather than assigning them mere secretarial role for PSCs.

ii. Explore other dimensions of Governance. Future governance programmes should expand their focus beyond the traditional core of PFM reforms to explore other critical dimensions of governance. While PFM is essential for fiscal space and service delivery, long-term, sustainable reform requires addressing the "wicked problems" embedded in broader institutional and social systems. For example, integrating PFM reforms with judicial reforms can enhance the rule of law, reduce corruption, and improve citizen trust, especially in areas like tax litigation and property rights, which directly impact revenue collection and the business environment. Addressing these deep-seated institutional and legal challenges, rather than just technical financial systems, can lead to more holistic governance transformation and better service delivery outcomes.

iii. Using digital innovations for improved public information. The government's substantial investment in digital tools like the Smart Monitoring of Development Projects (SMDP), the Local Government Financial Management Information System (LGFMS), and various budget and finance dashboards (CFMS) must be leveraged to provide the public with continuous access to fiscal data year-round. Currently, public attention to government finances often peaks during the "annual hype" of budget announcements, but limiting transparency to this cycle undermines effective accountability. Providing real-time, accessible data on revenue collection and expenditure outturns aligns with the goal of digitizing records and ensuring transparent, accessible data, which is essential for strengthening the institutional capacity of public bodies. This continuous visibility empowers citizens to monitor project execution and verify that services are being delivered as promised, transforming the public from passive recipients of information into active participants in governance.

To ensure this wealth of fiscal data is both transparent and usable, a differentiated access model should be adopted. For expert users (researchers, civil society organizations, and media), the digital platforms should provide access to detailed fiscal information (e.g., complete revenue breakdowns and digitised PC-I details), possibly requiring simple registration or filters. Meanwhile, for general citizens, the front-end dashboards must prioritise descriptive and easily digestible summaries, such as simplified visualizations, key performance indicators (KPIs), and infographics that clearly communicate core service metrics (e.g., water deficit coverage or unapproved construction rates). This approach ensures that data is actionable for accountability purposes while still being simple enough to align with public expectations and sustain citizen trust and engagement throughout the fiscal year.

iv. Where possible, align with government’s targets instead of broader reform priorities.

The principle of aligning with the broader contours of any government strategy or reform direction is certainly appreciative, as it ensures external assistance supports existing policy coherence and builds a foundation for local ownership and sustainability. However, to maximise the impact and effectiveness of technical assistance - like SNG-II picked agenda items from the Planning and PFM reform strategies - the future programmes should adopt the government's specific, measurable targets set out in those strategic documents.

v. Strike the balance between planning/budgeting reforms and sectoral reforms.

Learning from the SNG-II experience, future Technical Assistance (TA) programmes must achieve a strategic balance between cross-cutting Planning and Budgeting (P&B) reforms and specific sectoral focus. P&B reforms such as digitizing PC-I processes, improving PIFRA analytics, or streamlining fund management should form the foundational priority, as they have a cross-sectoral impact, improving the efficiency, transparency, and fiscal discipline across *all* government departments simultaneously. In contrast, specific sectoral interventions (like social protection, solid waste management, or health) should be selected on merit and flexibility, carefully aligning with clear provincial needs, political will, and maximum potential for measurable outcomes. This dual approach ensures that core institutional systems are sustainably strengthened while sectoral efforts are targeted, demand-driven, and result in visible service delivery improvements.

vi. Explore other modes of TA: Future governance programmes should actively explore a variety of Technical Assistance (TA) modes in addition to the tested model of embedded support. Relying solely on embedding consultants can lead to a heavy financial footprint and vulnerability to institutional inertia and staff turnover. Following approaches can be experimented:

- **Peer-to-Peer learning and twinning programmes:** Formalise a low-cost, high-impact model where high-performing government units (e.g., a Municipal Committee that successfully doubled its water revenue) are financially supported to mentor and 'twin' with lower-performing counterparts in other districts. This leverages proven local knowledge and best practices, addresses capacity gaps internally, and is significantly more cost-effective than hiring external international consultants for every intervention.
- **Use advocacy as a tool for expediting reform:** Advocacy should be deployed as a targeted lobbying tool to overcome political inertia regarding highly sensitive interventions, such as holding local government elections or devolving critical revenue collection powers. Technical assistance programmes can facilitate this by shifting from internal bureaucratic lobbying to external advocacy that mobilises public support, making the political cost of *delaying* the reform higher than the cost of *implementing* it.

3.12. Concluding Remarks on Theory of Change

This chapter’s findings provide a useful basis for testing the Theory of Change (ToC) set out in Chapter 1. The ToC posited that combining supply-side strengthening of planning,

budgeting, fiscal management, fiscal space, and local governance with demand-side transparency and citizen oversight would improve how provincial and local governments plan, finance, and deliver services.

Across outputs, the evidence presented in Chapter 3 most strongly supports the ToC at the level of *institutional and system change*. A recurring pattern is a shift from discretionary or relationship-driven processes toward rule-bound routines embedded in standards, notified procedures, and digitised workflows. This is consistent with the ToC's intermediate logic that improvements in the "how" of government - routine discipline, traceability, and enforceable gates - are a precondition for improved resource management and service delivery performance.

The available evidence is less conclusive for the ToC's more distal "impact" ambitions within the evaluation period. This is largely due to factors outside the programme's control and to data constraints rather than weaknesses in implementation. The evaluation notes, for example, that the EIU Democracy Index declined amid wider political conditions, and that MPI trends could not be updated because no recent PSLM survey data were available.

A key cross-cutting insight from this Chapter is that ToC pathways were most legible in citizen-facing terms where reforms reached the transaction or delivery layer, rather than remaining at the level of rules and processes. For example, local governance innovations (including service-linked models such as solid waste management pilots) demonstrate how fiscal and institutional reforms can become credible to citizens when they are paired with a tangible service experience and a locally defensible revenue-service bargain. Similarly, social protection findings suggest that improved targeting and operating routines can translate into a clearer public value proposition where citizens experience reduced exclusion errors or improved grievance handling.

Overall, the findings support the ToC's core logic that strengthening rules, systems, and routines can change how government works in practice - by improving discipline, traceability, and consistency in key functions. The evidence is strongest for institutionalisation and the intermediate outcomes that sit between outputs and longer-run impacts. While the evaluation period and available indicators limit what can be concluded about higher-level impacts, the findings still provide a credible account of how SNG-II contributed to better resource management and more service-oriented governance through embedded reforms.

isolated activities. Terms like *execution*, *direction*, and *appraisal* signal efforts to link upstream planning to downstream implementation and budgeting.

Effectiveness

Large words such as *embedded*, *tool*, *support*, *everyday*, *visibility*, *appraisal*, and *translated* indicate effectiveness was strongest where tools were used in day-to-day work and converted into practical routines. The presence of *gender*, *decision*, and *budget* suggests effectiveness also came through mainstreaming (e.g., tagging/templates) into real decision points.

Efficiency

The cloud is led by *model*, *delivery*, *efficient*, *embedded*, *technical*, *hybrid*, and *transaction*, reflecting an efficiency story about how support was delivered (embedded/hybrid TA) and how it reduced process costs and delays. Words like *cycle*, *scaling*, and *workshop* suggest a shift from one-off trainings to continuous support aligned with government cycles.

Impact

Dominant terms such as *impact*, *service*, *reform*, *planning*, *social*, and *gender* show that impact was mainly expressed as system change and service outcomes, not just documents produced. Terms like *digital*, *OSR*, and *budget* link impact to digitisation and fiscal space/service-delivery improvements.

Sustainability

The biggest words - *sustainability*, *embedded*, *institutional*, *practice*, *permanent*, *ownership*, *standard*, *statutory*, *manual*, and *data* - suggest sustainability is anchored in formalisation, clear institutional homes, and routine use. The appearance of *gender*, *planning*, and *budget* indicates sustainability is also judged by whether mainstreaming practices continue after exit.

Chapter 5: Key Lessons and Way Forward

Lesson 1: SNG-II's two standout innovations - Reform Working Groups and embedded team-based support - show that governance reforms accelerate when coordination and capability are institutionalised, not personalised. SNG-II's Reform Working Groups created a structured space where problem diagnosis could be done at departmental level, and agreements were made on technical options. In parallel, SNG-II's embedded support model worked not as isolated individual consultants but as multidisciplinary teams, allowing day-to-day problem solving, continuity through turnover, and rapid mobilisation of the right mix of skills (policy, legal, systems, and implementation). The lesson for future programmes is to deliberately replicate and strengthen these two features: design RBM and governance around empowered, ministry-led working groups with clear ToRs, decision pathways, and recurring cycles; and deploy embedded teams that combine long-term continuity with short, targeted specialist inputs - so that reform momentum depends less on personalities and more on durable coordination platforms and institutional capability.

Lesson 2: Digital innovation delivers faster, visible gains - but only becomes transformative when anchored in "hard" policy, rules, and institutions. SNG-II's experience shows that support to digital innovations (automation, platforms, dashboards, e-payments) can produce rapid improvements in transparency, traceability, and service responsiveness - often creating quick wins that build political and bureaucratic confidence. However, given the inherent complexities of government systems - multiple mandates, overlapping jurisdictions, legacy processes, procurement constraints, frequent staff rotations, and risk-averse incentives - digital tools on their own rarely have the authority or staying power to lock in behavioural change. They endure and scale when paired with "hardcore" policy foundations such as legal mandates, rules/SOPs, clarified roles (ToRs), budget/calendar integration, and a clearly assigned institutional custodian, which together provide the governance backbone that allows technology to be used consistently and defended through transitions. The key lesson for future programmes is to treat digital interventions as an implementation layer that operationalises policy intent - sequencing reforms so enabling policy and institutional arrangements are established early, while digital solutions are designed around the workflow gates and accountability routines that policy requires.

Lesson 3: Flexible RBM works best when it is treated as a learning-and-delivery system. SNG-II's experience shows that results-based management (RBM) is most effective in complex governance reforms when it remains flexible enough to adapt to political economy shifts, fiscal shocks, and varying institutional readiness - while still holding a clear line of sight from activities to outcomes. Rather than locking the programme into rigid log frame delivery, SNG-II used RBM in a practical way: iterating milestones and workplans with government, using evidence from implementation to refine what was feasible, and tracking progress through tangible "use" indicators (adoption, routine application, institutional anchoring) alongside output completion. The lesson for future programmes is to build RBM around adaptive pathways - with periodic joint course-correction, outcome-focused monitoring that captures behavioural change, and space to re-sequence or deepen reforms

- so that accountability is preserved without undermining responsiveness in a complex, multi-actor government system.

Lesson 4: SNG-II validated a wide range of of technical assistance modalities - future programmes can start from a proven toolkit, not a blank page. SNG-II did not rely on a single reform instrument; it tested and demonstrated an unusually wide range of TA approaches, including development of standards (e.g., PARA), drafting manuals and SOPs (e.g., planning guidance), contributing towards legislation (e.g., PFM and related acts), facilitation/intermediation between agencies and vendors (e.g., systems integration and automation pathways), institutional design products (e.g., ToRs for planning functions), concept and policy papers (e.g., social protection and thematic work), and field-level demonstrations (e.g., SWM pilots). The core lesson is that future programmes have a ready-made catalogue of reform “building blocks” that they can select and sequence according to political appetite, capacity, and government demand - reducing start-up inertia and improving implementation realism.

Way Forward: The way forward is not a single “successor programme blueprint,” but a practical approach for government and partners to select, package, and sequence reforms from the SNG-II menu based on current demand, feasibility, and capacity. This can be organised around two linked moves: first, before adding new reform areas, future programmes should stabilise and “lock in” the reforms and capacities that SNG-II has already put in place - whether through standards, systems, legislation, institutional arrangements, or pilots - because in complex provincial systems, staff rotations, shifting priorities, and fiscal pressure can quickly weaken gains unless they are embedded in routine processes and anchored in permanent institutions; consolidation therefore protects the investment already made. Second, rather than pursuing many disconnected activities, future support should draw on the SNG-II “reform buffet” to assemble a small number of coherent, scalable packages.

In practical terms, the next programme cycle can begin by asking one organising question: *“Which 5–6 reform packages from the SNG-II toolkit are most demanded by government today, and what minimal set of routines, systems, and capabilities are needed to institutionalise them for the long term?”*

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Annexure

A.1. Methodology

This section presents the evaluation framework for the Sub-National Governance Programme II (SNG-II) based on the OECD-DAC criteria: relevance, coherence, effectiveness, efficiency, impact, and sustainability. These criteria guided the assessment of the programme's achievements and provided a structured approach to analyse its contribution to governance reform, public financial management (PFM), and service delivery improvements in Punjab and Khyber Pakhtunkhwa (KP).

The OECD-DAC elements include:

- **Relevance:** Assesses alignment with national priorities, responsiveness to local needs, and use of evidence in design.
- **Coherence:** Explores integration with other donor efforts and balance between state and citizen capacity.
- **Effectiveness:** Measures outcome achievement identifies strategic enablers/barriers across tiers.
- **Efficiency:** Reviews resource allocation, cost-effectiveness, and risk management in delivery models.
- **Impact:** Evaluates contributions to democracy, growth and poverty reduction.
- **Sustainability:** Probes institutional durability beyond donor support or political shifts.

A.1.1. Mixed-methods approach (KIIs, FGDs, survey triangulation)

The endline evaluation adopted a theory-informed, mixed-methods approach, anchored in the OECD-DAC criteria and structured around the three evaluation objectives. The evaluation prioritises understanding not only whether results were achieved, but also how, why, and under what conditions specific outcomes emerged placing particular emphasis on process evaluation and attribution analysis.

Core Analytical Dimensions

- Implementation Fidelity:** We assessed whether planned interventions (e.g. PFM strategies, planning tools, innovation pilots) were implemented as designed, and identifies deviations in scope, timing, or content. Findings under this dimension were interpreted through document review and KII triangulation.
- Feedback Mechanisms:** We analysed how internal learning and stakeholder feedback influenced implementation, adaptation, and scaling decisions.
- Contextual Enablers and Barriers:** We identified political, institutional, and administrative variables that shaped success across Punjab and KP. This included assessing interdepartmental coordination, political stability, and reform ownership.

- iv. **Attribution Analysis explored the causal inference strategy:** Once we had compiled the detailed reform stories (mainly from interviews with the client i.e. government stakeholders, and with the observations (our qualitative findings) and systematically compared them against official government documents - such as meeting minutes, formal letters, or policy reports - to verify that our findings were accurate and credible.

Table 14: Attribution Rating Criteria

High	The intervention was primarily conceptualised, designed, and managed by the programme, and directly led to a result that is formally embedded in government systems or rules.
Medium	The intervention was co-conceptualised or co-managed with government or other partners; the programme made a significant contribution, but ownership and attribution are shared or the reform is still maturing.
Low	The intervention was largely externally driven, advisory only, or limited to discrete outputs; results were not adopted, sustained, or scaled, and systemic change is minimal or absent.

Impartiality of Evaluation

Impartiality was embedded in the evaluation design through multiple safeguards that prevented the dominance of any single institutional perspective and ensure that findings are grounded in balanced, independently generated evidence.

- i. The sampling frame was deliberately constructed to reach across all major stakeholder groups involved in, or affected by, SNG-II. This included senior and mid-tier government officials in Planning & Development, Finance, Local Government, Revenue, local government and municipal functionaries; SNG-II's own technical advisors; Innovation Challenge Fund (ICF) partners responsible for pilot implementation; and beneficiaries or those affected by capacity building trainings, solid waste management pilots or revised local level taxes/fees. By engaging such a diverse set of actors - across both Punjab and Khyber Pakhtunkhwa - the evaluation avoided reliance on any single narrative and ensured that government, programme, and delivery-side voices were all represented fairly.
- ii. To preserve neutrality during evidence gathering, the evaluation team applied standardised KII and FGD instruments that were jointly developed and peer-reviewed by technical experts and the M&E lead. More importantly, the tools were primarily open ended. We tried to encourage open reflection from the respondents rather than confirming pre-defined options. The idea was to probe for variance rather than confirmation.

Credibility of Evaluation

Credibility is reinforced through the institutional independence and professional standing of the Sustainable Development Policy Institute (SDPI), which has no implementation role in SNG-II and no organisational incentives tied to the programme's performance. All core team

members were selected for their technical expertise and explicitly screened for conflict of interest, ensuring that no evaluator had prior involvement in programme design, delivery, or financial management. This zero-Col structure allowed the team to examine both strengths and shortcomings candidly, while maintaining analytical distance from Oxford Policy Management (OPM), government departments, and ICF partners.

Credibility was further supported by the formal authorisations issued by the Planning & Development Departments of Punjab and Khyber Pakhtunkhwa, which directed provincial departments, district administrations, autonomous bodies, regulators, and service delivery entities to provide full access to information and designate focal persons for coordination. These high-level permissions enabled the evaluation team to engage senior officials, obtain official records, and capture diverse institutional perspectives that might otherwise have been inaccessible.

Transparency of Evaluation

Transparency comes through a fully documented evidence trail. All interviews were logged; notes and transcriptions were checked for completeness; selected audio recordings were used to verify accuracy; and daily debriefs ensured consistent interpretation across teams. The Data Report itself functions as a transparent repository of all data sources, descriptive statistics, and emerging themes, enabling external scrutiny of the evidence underpinning evaluation judgments.



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GOVERNMENT OF THE PUNJAB
PLANNING AND DEVELOPMENT BOARD
Dated Lahore, the 14th April, 2025

To,

1. Secretaries, Govt. of the Punjab
 - i. Finance Department
 - ii. Excise Taxation and Narcotics Control Department
 - iii. Local Government and Community Development Department
 - iv. Labour Department
 - v. Social Welfare Department
2. Chairman, Punjab Revenue Authority, Lahore
3. Chairman, Punjab Information Technology Board, Lahore
4. Chief Executive Officer, Punjab Social Protection Authority, Lahore.
5. Managing Director, Punjab Municipal Fund Development Company (PMDFC), Lahore.
6. Commissioner, Punjab Employees Social Security Institution, Lahore.
7. Deputy Commissioner, Nankana Sahib.
8. Deputy Commissioner, Kasur.
9. Deputy Commissioner, Sialkot.
10. Deputy Commissioner, R.Y. Khan

Subject: REQUEST FOR EVALUATION UNDER SUB-NATIONAL GOVERNANCE-II (SNG-II) PROGRAMME

I am directed to inform you that Sustainable Development Policy Institute (SDPI) is carrying out the evaluation of Sub-National Governance-II (SNG-II) Programme funded by the Foreign, Commonwealth & Development Office (FCDO) and implemented by Oxford Policy Management (OPM). The evaluation team led by Mr. Suleman Ghani (former Federal Secretary of Commerce and Chairman Planning & Development Board Punjab) will assess the programme's impact, effectiveness, and sustainability in improving governance and service delivery in Punjab. This entails conducting impact and process evaluations to examine the programme's contributions to governance reforms and institutional capacity-building at the provincial and district levels.

2. Accordingly, SDPI team will visit your department/office for some data collection (both qualitative and quantitative) to measure the impact of the SNG-II program. It is, therefore, requested to provide full support to SDPI team for providing access to data, information, reports & other relevant materia and assigning point of contact for coordination in response to this letter, as per the format below.

Sr. No.	Name	Designation	Contact Details

Further, Mr. Asim Zahoor, SDPI (+92 321 5152487 or asimzahoor@sdpi.org) is the focal person for any coordination. We expect this evaluation to eventually result in reforming the governance in Punjab and overall Pakistan through future program designing and policy recommendations.


(MUIHAMMAD SALEEM ILYAS)
ASSISTANT CHIEF (ECA-II/III)

C.C:

- i. Team Leader, SNG-II Programme, Lahore.
- ii. Team Leader, SDPI.
- iii. PS to Secretary, P&D Board, Lahore.
- iv. PA to Sr. Chief (ECA), P&D Board, Lahore.

**GOVERNMENT OF
KHYBER PAKHTUNKHWA**

Planning and Development Department



INTERNATIONAL DEVELOPMENT SECTION

Phone: +92 91 9210499 Fax: +92 91 9211369 Email: ids@pndkp.gov.pk



No. C/IDS/P&D/FCDO-SNG/2025/

Peshawar: 30th May, 2025

To

1. **The Secretaries of Government of Khyber Pakhtunkhwa**
 - i. Finance Department.
 - ii. Local Government Elections & Rural Development Department
 - iii. Excise Taxation and Narcotics Control (ET&NCD)
2. **The Commissioner Malakand**
Malakand Division
3. **The Director General**
 - i. Environmental Protection Agency, Khyber Pakhtunkhwa
 - ii. Khyber Pakhtunkhwa Revenue Authority
4. **The Chief Executive Officer (CEO)**
Water & Sanitation Services Company (WSSC)
5. **The Chief Commissioner**
Right to Public Service Commission, Khyber Pakhtunkhwa
6. **The Registrar**
 - i. University of Engineering & Technology (UET) Peshawar, Khyber Pakhtunkhwa
 - ii. Institute of Management Sciences (IMS)
7. **The Deputy Commissioner**
 - i. District Swat
 - ii. District Shangla
 - iii. District Dir Lower
 - iv. District Buner
 - v. District Mansehra
 - vi. District Swabi
 - vii. District Haripur

Subject: EVALUATION OF SUB-NATIONAL GOVERNANCE PROGRAM (SNG-II) AND ITS IMPACT ON GOVERNANCE REFORMS IN PAKISTAN

Respected Sir;

I am directed to inform that Sustainable Development Policy Institute (SDPI) is carrying out the evaluation of Sub-National Governance Programme (SNG-II), funded by the Foreign, Commonwealth & Development Office (FCDO) and implemented by Oxford Policy Management (OPM). The evaluation will be led by Mr Suleman Ghani (former Federal Secretary of Commerce and Chairman Planning & Development Board Punjab) and will assess the programme's impact, effectiveness, and sustainability in improving governance and service delivery in Khyber Pakhtunkhwa. This entails conducting impact and process evaluations to examine the programme's contributions to governance reforms and institutional capacity-building at the provincial and district levels.

For the said purpose of evaluation, SDPI team will be visiting your department/office for data collection (both qualitative and quantitative) to measure impact of the SNG-II program in your department. It is, therefore, requested to kindly provide full support in terms of access to relevant data,

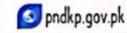
**GOVERNMENT OF
KHYBER PAKHTUNKHWA**

Planning and Development Department



INTERNATIONAL DEVELOPMENT SECTION

Phone: +92 91 9210499 Fax: +92 91 9211369 Email: ids@pndkp.gov.pk



information, reports and assigning point of contact for coordination in response to this letter, as per below format, please.

Sr. No.	Name	Designation	Contact Details

Note: Mr. Irfan Ahmad Chatta, Research Fellow SDPI (Cell # 0332-9992303 Email: irfan@sdpi.org) may be contacted for any additional information / coordination.

Dr. Muhammad Ehtisham-Ul-Haq
Chief International Development

Copy for information to:

1. The Project Director, PP&SPRU, Sustainable Development Unit (SDU) Building, with the similar request, please.
2. PS to Additional Chief Secretary, Government of Khyber Pakhtunkhwa.
3. PS to Secretary, Planning & Development Deptt, Government of Khyber Pakhtunkhwa.
4. PA to Chief Economist, Planning & Development Deptt, Government of Khyber Pakhtunkhwa.

Chief International Development

A.1.2. Sampling frame and geographic/sectoral coverage

We applied a purposive sampling strategy to ensure that data collection is both, strategically focused and methodologically sound, enabling meaningful insights across reform domains and administrative tiers. Given the programme's emphasis on system-level governance reforms rather than population-level outcomes, the sampling approach prioritised analytical representativeness over statistical representativeness.

This approach served two key purposes:

1. To capture the experiences and perspectives of actors most directly involved in or impacted by SNG-II interventions, especially within client government departments.
2. To identify and analyse reform cases (tracer reforms) that are most likely to yield strong evaluative insights, including attribution and learning.

i. Sampling for Key Informant Interviews (KIIs)

Respondents for KIIs were selected purposively to reflect the institutional structure and reform logic of SNG-II. Selection prioritised :

- **Client-facing government officials** at provincial, and district levels who served as reform leads or policy counterparts. These included:
 - Secretaries, Special Secretaries, Additional Secretaries, and Directors General in Finance, Planning, and Local Government departments.
 - Focal persons from agencies involved in tax, budgeting, procurement, pensions, and municipal service delivery.
- **Implementation partners and advisory personnel**, including:
 - Principal Investigators and Project Managers under the Innovation Challenge Fund (ICF).
 - SNG-II Advisors (e.g., PFM, Planning, Accountability, Social Protection), who supported design and delivery of reforms across provinces.

The justification for this sampling choice was threefold. First, these actors were best positioned to speak to reform demand origination, design choices, and implementation trade-offs. Second, their perspectives enabled testing of attribution pathways, particularly where SNG-II's role was catalytic rather than directive. Third, inclusion of both government counterparts and advisors allowed triangulation of intent, process, and outcomes, strengthening the credibility of findings.

ii. Sampling for Focus Group Discussions (FGDs)

FGDs were held in a select number of districts where Output 4 interventions (e.g., own-source revenue (OSR) systems, performance-based budgeting, service-level agreements) were implemented.

Participants included:

- Deputy Commissioners and Municipal Chief Officers.
- Local reform implementers and trained government staff.
- Beneficiaries of SNG-II-supported technical assistance and capacity building.

FGDs were designed to capture collective, practice-level perspectives on implementation experience, behavioural change, and operational constraints, complementing KIIs that focused more heavily on policy design and institutional intent.

iii. Representativeness, Coverage, and Analytical Balance

While the sample is not statistically representative, it is theoretically and analytically representative of SNG-II's core reform engagements. Coverage was ensured across:

- Multiple administrative tiers (federal, provincial, district, municipal);
- Key reform domains (planning, PFM, revenue mobilisation, pensions, social protection, and local governance); and
- Both design-oriented and implementation-oriented reform stages.

iv. Non-Response Management and Mitigation Measures

Non-response was negligible and was mitigated through a flexible and adaptive data-collection strategy that prioritised continuity of coverage and preservation of analytical balance rather than strict linear sequencing of interviews.

To address delays arising from the unavailability of senior officials, interviews were initially scheduled by department, and where first-round KIIs could not proceed as planned, the team immediately shifted to alternative departments, returning to the delayed interviews in later stages of the fieldwork. This non-linear sequencing approach ensured that temporary scheduling constraints did not translate into material deviations from the overall data-collection plan or compromise coverage across reform areas.

v. Selection of Tracer Reforms for Deep Dive Case Studies

A subset of reforms - referred to as tracer reforms - were selected for in-depth process tracing and attribution analysis. The selection was based on four criteria:

Table 15: Selection of Tracer Reforms

Criterion	Justification
Policy Visibility	Reforms that gained traction in formal strategies or legislation (e.g., PFM Act, Planning Reform Strategy).
Data Availability	Availability of documentary evidence, MEL outputs, and access to involved personnel.

Outcome Maturity	Reforms that have progressed beyond inception to show observable results (e.g., operationalised dashboards, reformed budget call circulars).
Attribution Potential	Interventions with plausible causal links to SNG-II inputs and lower likelihood of overlapping donor attribution.

The key Reforms included:

- Punjab Growth Strategy.
- PFM Acts.
- Automation of PC-1 and financial releases.
- Innovation Challenge Fund pilots with uptake by government departments (e.g., tax compliance tools).
- Pension Reform in Punjab
- Commodity Debt Retirement in Punjab
- Project Appraisal and Risk Assessment Standards in KP

Each tracer case was subjected to timeline reconstruction, triangulated evidence analysis, and stakeholder validation to assess fidelity, effectiveness, and attribution strength.

A.1.3. Stakeholder-Specific Questionnaires

The SNG-II endline evaluation covered a heterogenous set of stakeholders who engaged with the programme in different capacities across reform areas, delivery tiers, and functional domains. These include:

- i. **Planning and Development Departments (P&DDs)** – leading planning reforms and roadmap development
- ii. **Finance Departments** – engaged in budget reforms, fiscal frameworks, and performance budgeting
- iii. **Local Government Departments and Municipal Administrations** – responsible for Output 4 interventions (e.g. own-source revenue, budgeting tools, SLAs)
- iv. **Innovation Challenge Fund (ICF) partners** – technical implementers of pilot projects
- v. **SNG-II Advisors and embedded TA teams** – internal programme leads supporting government departments
- vi. **Beneficiary groups** – including district officials, trained staff, and service delivery actors

Given these functional differences, it was methodologically inappropriate to use a single, standardised questionnaire. Instead, customised instruments were developed. The types of interventions supported under SNG-II and the modality of engagement with each department varied significantly across reform areas and administrative tiers. Departments interacted with the programme in different ways - ranging from upstream policy design and systems development to hands-on implementation, piloting, and capacity building. Given this diversity, a single, standardised questionnaire would not have been appropriate. Customised tools were therefore developed to reflect the specific nature of each department's engagement and the interventions they experienced, ensuring that questions were relevant, focused, and capable of capturing accurate evidence on processes, contributions, and results.

Why Conventional Piloting Was Not Feasible?

In typical evaluations, piloting involves testing a single instrument across a representative subset of the total sample to refine content and structure. However, this approach was not feasible for this evaluation due to the following reasons:

- Multiple distinct questionnaires were developed for different respondent types across departments and levels, each reflecting different reform themes and delivery experiences.
- The heterogeneity of tools and questions means piloting one instrument does not help refine the others.
- There was no consolidated "sample frame" where one unified test version could be deployed.

Alternative Instrument Testing Approach

To ensure quality, coherence, and thematic relevance across all instruments, the evaluation instead adopted a targeted expert validation approach, involving:

- **Thematic testing with SNG-II Advisors** (e.g., Planning, PFM, Social Protection, Accountability & Inclusivity, Challenge Fund), who:
 - Possess direct knowledge of programme design, implementation, and reform logic across stakeholder types.
 - Can identify missing, redundant, or misaligned questions within instruments.
 - Will test draft questionnaires through simulated interviews or structured walkthroughs.

This approach ensured:

- **Operational realism** – Questions are appropriate for the time, knowledge, and role of the respondent.
- **Thematic accuracy** – Tools reflect actual reform content, timelines, and delivery logic.

Rapid iteration – Advisors can provide immediate feedback to adjust content before field use.

A.1.4. Data Collection

Key data collection tools included desk/documentation reviews, Key Informant Interviews, and Focused Group Discussions.

A.1.4.a. Desk/documentation review:

It had a two-pronged purpose (i) Map the reform oriented products (e.g. Planning Reform Strategy, PFM Reform Strategy, PFM Act Pension Reform Strategy, Budget Reviews, Need Assessment Reports, Study on Tax Harmonisation, Improved PC-I forms, etc.) (ii) Trace the origin and feedback mechanisms for reform initiatives (e.g. demand letters from the government departments, post event reports of trainings/workshops, chain of correspondence with the government departments, and MEL documents, etc.)

Table 16: Types of Programme Documentation

Document Type	Title/Examples	Intended Use in Evaluation
Logical Framework	Final Logframe, Results Chain, Indicators Table	Link reform outputs with outcome indicators and theory of change
Progress Reports	Annual Progress Reports (2020–2024)	Benchmark intended milestones and identify course corrections
Evaluation & Learning	Mid-Term Evaluation, Learning Notes, Internal Reviews	Contextualised adaptive learning and strategic pivots
Strategic Planning Documents	Business Case, Addenda, Delivery Roadmaps, Programme Inception Report	Understand the original design and realignment of delivery approaches
Output Documents	Planning Reform Strategy, PFM Act Draft, ICF Outputs	Assess technical quality and alignment with reform goals
Workplans and Activity Logs	Year-wise Workplans, Output Tracking Sheets, Activity Checklists	Verify activity coverage and delivery coherence
A&I Documents	Gender Budgeting Templates, Inclusion Toolkits, Training Reports	Explore efforts around inclusion, accessibility, and gender sensitivity
Document Registries	Excise Act Drafts, PRA Docs, PC-I Templates, LG Instructions	Provide formal references for reform validation

The evaluation did not review these documents in isolation. Instead, each document category will be linked to specific reform streams and DAC evaluation criteria. Insights derived from the triangulation process will help confirm, contrast, or nuance stakeholder perspectives.

A.1.4.b. Key Informant Interviews (KIIs)

A total of 82 Key Informant Interviews were conducted with three stakeholders viz. provincial government departments, Innovation Challenge Fund partners and the SNG-II advisors across Punjab and Khyber Pakhtunkhwa. Public sector respondents included representatives from Planning & Development (P&D), Finance, Local Government, Excise and Taxation, Social Protection authorities, and other departments that were engaged in reform implementation or technical coordination.

While names have been anonymised for reporting purposes, the interviews involved a mix of senior officials (Secretaries, Additional Chief Secretaries, Directors General), mid-level implementers, and embedded technical advisors. Each interview was guided by a semi-structured instrument tailored to the respondent’s institutional role and linked to relevant evaluation criteria (e.g., relevance, coherence, effectiveness).

Table 17: Number of Key Informant Interviews

Stakeholder Category	KIIs
Provincial Departments	46 KIIs (Punjab: Planning & Development Board, Finance Department, Punjab Revenue Authority, Excise & Taxation, Punjab Social Protection Authority, Local Government & Community Development Department. Khyber Pakhtunkhwa: Planning & Development Department, Finance Department, KP Revenue Authority, Excise & Taxation, Public Policy and Social Protection Reform Unit, Local Government, Elections and Rural Development, Excises, Taxation and Narcotics Control Department, KP Revenue Authority)
ICF Partner	12 KIIs (Punjab: LUMS, PITB, PMDFC, Netracon, Red Buffer, GCS. KP: CGPA, Evamp, Sanga, CPDI)
SNG Advisors	24 KIIs (Punjab: Monitoring, Evaluation and Learning, PFM, ICF, A&I, Planning, Fiscal Space. KP: Governance and Planning, PFM, Social Protection, Fiscal Space, Local Governance, UET Consultant, Monitoring, Evaluation and Learning)

The KIIs were conducted by teams of senior evaluators between May and July 2025, and focused on tracer reform areas, including planning automation, fiscal decentralization, performance budgeting, and innovation pilots.

A.1.4.c. Focus Group Discussions (FGDs)

The selection of FGDs was purposive and theory-driven, aligned with the evaluation’s focus on system-level and service-delivery reforms rather than population-level outcomes.

Districts were selected where SNG-II had implemented substantive Output 4 interventions (e.g. own-source revenue reforms, performance-based budgeting, service-level agreements, and solid waste management pilots), ensuring that discussions were grounded in direct implementation experience. A total of 12 FGDs were held across selected reform districts (Punjab: Nankana Sahib, Rahim Yar Khan, Kasur, Sialkot. KP: Haripur, Mansehra, Swabi, Buner, Shangla, Lower Dir, 2 in Swat). Diversity of participants was also ensured within each FGD by including officials from different functional and hierarchical levels - Deputy Commissioners, budget officers, municipal officials, and representatives from local development committees - allowing multiple operational and managerial perspectives on reform implementation to be captured. FGDs provided collective insights into the implementation fidelity, institutional coordination, and citizen-facing results of SNG-II reforms.

A.1.4.d. Beneficiary Validation Survey

The Beneficiary Validation Survey (BVS) was designed as a light-touch, targeted exercise to validate earlier findings and gather fresh feedback from citizens affected by select SNG-II interventions-particularly under Output 4, which focused on Own Source Revenue (OSR) reforms and Solid Waste Management (SWM) pilots. This beneficiary validation was intentionally designed as a light-touch exercise to validate and triangulate findings emerging from KIIs and FGDs, rather than to generate statistically representative estimates. Its primary purpose was to test whether narratives around capacity building outcomes, OSR reforms, and SWM pilots reported by government counterparts and implementers were broadly reflected in the experiences and perceptions of those directly exposed to the interventions.

Given this objective, the exercise had several inherent limitations. First, purposive sampling was used, as the relevant beneficiary groups were small, intervention-specific, and geographically concentrated (e.g., SWM pilot neighbourhoods or specific OSR-affected leaseholders). While this approach ensured that respondents had *direct exposure* to the reforms being discussed in KIIs and FGDs, it limits the ability to generalise findings beyond the sampled groups. The results should therefore be interpreted as confirmatory and indicative, rather than representative of all citizens or officials in Punjab and KP.

Second, while purposive sampling can introduce a risk of selection bias particularly where respondents are identified through programme or municipal records - this risk was mitigated in practice. For the capacity-building component, the SNG team shared only the full list of training participants; respondents were then randomly selected from this list in KP, while in Punjab the exercise covered near-census coverage. For the SWM and OSR components, respondents were drawn randomly from households and users located within intervention neighbourhoods and target locations (e.g., Rahim Yar Khan and Haripur), rather than being nominated by programme or municipal staff. These measures reduce gatekeeper influence and strengthen the credibility of the validation exercise, while remaining consistent with its light-touch, triangulation-focused purpose.

Third, the exercise cannot establish attribution, especially for OSR reforms, which remain nascent and are influenced by wider economic and political factors. Beneficiary responses

capture early perceptions of change and service interaction, not causal effects attributable solely to SNG-II.

Overall, these limitations reflect deliberate methodological choices aligned with the triangulation logic of the evaluation, ensuring efficiency while strengthening confidence in the credibility of KII and FGD findings across the three intervention areas.

While the primary beneficiaries of SNG-II were government functionaries trained through various capacity-building initiatives, this survey sought to assess downstream citizen-level effects, especially in municipal reform areas. Given the limited and geographically concentrated scope of these interventions, purposive sampling was not employed as in the case of KIIs, instead random sampling was followed, as discussed above. This ensured that the survey reached relevant individuals directly impacted by OSR and SWM reforms, as well as government officers trained under the Programme.

Sampling Strategy and Tools

- A total of 225 respondents were targeted across Punjab and KP, with equal provincial representation.
- Closed-ended questionnaires were used to structure responses and were administered through telephonic and in-person interviews, depending on the respondent group.
- The distribution is detailed below:

Table 18: Beneficiary Validation Survey Sampling

Intervention Area	Punjab	KP	Total	Tool Used
Capacity Building (Govt)	45	21	66	Telephonic
Solid Waste Management	53	33	86	In-person
Own Source Revenue	40	33	73	In-person
Total	135	87	225	

Coverage and Themes

Capacity Building: Respondents included officers trained under three streams:

- **CBT Trainings:** Covering general planning and operational skills
- **Planning & Reform Trainings:** Focused on technical reforms like PC-I template
- **Accountability & Inclusion Trainings:** Aimed at gender-responsive and inclusive planning

Respondents included junior, mid-level, and senior officials from departments such as Planning, Social Welfare, Environment, Agriculture, and Local Government.

Own Source Revenue (OSR): Surveyed beneficiaries included:

- Municipal shop leaseholders affected by rent re-assessments

- Business owners impacted by revised local taxes and user fees

Solid Waste Management (SWM): The survey focused on households in SWM pilot areas (Kasur, Swat, Haripur). Key aspects probed included:

- Regularity and quality of door-to-door waste collection
- Cleanliness of public spaces
- Conduct of waste management staff
- Perceived changes in hygiene and health conditions
- Trust in local government and willingness to contribute through fees

This multi-pronged survey approach ensured the capture of grounded citizen perspectives, enabling triangulation with qualitative findings from KIIs and FGDs.

All data collected (documents, recordings for which we got the consent, their transcripts, and survey datasets) were stored on secure, access-restricted servers accessible only to the core evaluation team. Personally identifiable information was anonymised at analysis stages. Access controls, password protection, and routine backup procedures were applied throughout to safeguard confidentiality and data integrity.

A.1.5. Data Analysis

Qualitative interview data were analysed using a framework-based thematic approach aligned with the evaluation questions. A hybrid deductive-inductive coding approach was used. An initial codebook was developed based on the evaluation framework and refined iteratively as new themes emerged from the interview data. All transcripts were reviewed in full, and the coding framework was refined as analysis progressed. Coding and data management were conducted using qualitative data analysis software Atlas.ti to support systematic organization, retrieval, and comparison of qualitative data. Coded data were synthesized into higher-level analytical themes corresponding to the evaluation criteria and key dimensions of project performance.

The quantitative data was collected through semi-structured questionnaires administered over telephone for capacity building component, and in person for SWM and OSR components. Data collection was conducted by trained enumerators under close supervision to ensure adherence to protocols, data quality standards, and ethical considerations such as informed consent and respondent confidentiality.

After data collection, the quantitative dataset was cleaned and then entered in SPSS for descriptive analysis. The cleaning process included identifying and removing duplicate entries, correcting inconsistencies, checking for missing values, and verifying variable coding. Each variable was properly labelled and assigned numerical values to ensure consistent interpretation across the dataset. A comprehensive syntax file was developed in SPSS to document all data management and analytical procedures, allowing for reproducibility. Descriptive statistical analyses were performed, including frequency distributions, cross-tabulations, and mean comparisons where relevant.

Here it must be pointed out that in addition to SPSS and Atlas.ti, no other tools (including AI) were used for data analysis and reporting.

Triangulation Examples

In this section, we present a set of triangulation examples that demonstrate the analytical approach applied throughout the evaluation. The main findings section cannot provide this level of detail for every finding due to space limitations; therefore, only selective examples are included here in the annex to illustrate how evidence was cross-verified for analysis and findings.

i. Revision of Planning Manual in Punjab (Corresponding Report Section: 3.2 and A.3.2):

In our initial interviews with SNG-II’s planning advisors, they stated that they had undertaken the revision of the Punjab Planning Manual. However, a senior official from the Punjab Planning & Development Board (P&DB) later suggested that the work done by SNG-II had not been fully satisfactory. To verify these differing accounts, the evaluation team requested SNG-II to provide the full documentary chain for the assignment including the demand letter, all draft versions, and a detailed task-by-task timeline.

SNG-II subsequently shared a comprehensive record of their work, which included:

- inception and outline documents from November 2022–January 2023,
- multiple rounds of P&DB feedback and itemised responses from December 2022–July 2023,
- documentation showing that almost 50% of required source materials from P&DB remained outstanding throughout the process, and
- successive draft revisions through September 2023 addressing all comments for which information was available.

This documentation clearly demonstrated an extensive and iterative technical process, reflecting both the inputs provided by SNG-II and the constraints arising from delayed or incomplete information from P&DB.

The evaluation team later verified that the revised draft of the Punjab Planning Manual had been uploaded on the official P&DD website (accessible [here](#)). The title page of the uploaded document explicitly identifies one of SNG-II’s Planning Experts as the *author*, confirming SNG-II’s substantive role in producing the revised manual.

Together, these pieces of evidence allowed the evaluation team to reconcile interview claims with documentary proof and to form a more accurate view of SNG-II’s actual contribution to the Planning Manual revision.

Table 19: Timeline for Planning Manual Revision in Punjab

Date	Content
15 Nov 2022	Draft Inception Report for Punjab Planning Manual revision submitted.
6 Dec 2022	P&DB comments on Inception Report received.
8 Dec 2022	Itemised responses to P&DB comments submitted.

20 Jan 2023	Draft outline for revised Manual prepared; dependent on pending P&DB documentation.
31 Mar 2023	First draft of the Manual delivered.
10 Apr 2023	Questions and data requests submitted to P&DB.
19 Apr 2023	Reconciled checklist of documents received from P&DB (11 of 50 requested).
2 May 2023	Draft 2 of the Manual shared.
29 May 2023	Draft 3 submitted.
12 Jun 2023	Draft shared with P&DB; further queries raised.
4 Jul 2023	Updated list of required documents to finalise the Manual.
11 Jul 2023	Responses to P&DB queries, updated status of documents received, and revised draft with latest comments. Approx. 50% documentation still pending.
12 Jul 2023	List of outstanding policy issues and revised checklist of required documents.
4 Sep 2023	Revised draft submitted addressing all comments not dependent on missing documentation.
5 Sep 2023	Detailed structural and content updates made, including alignment with the federal manual, strengthened prescriptive language, updated committees and procedures, and revisions to financial and accounting sections.
26 Sep 2023	Final draft of the Planning Manual submitted.

ii. Assessing Whether Focal-Person Turnover Disrupted Progress (Corresponding Report Section: 3.2 and A.3.2)

During interviews, the embedded team from KPMG reported that frequent changes in the IDS focal person in P&DD KP created uncertainty and slowed momentum. To verify this claim, the evaluation team undertook a structured triangulation exercise using: (i) interviews, (ii) minutes of meetings under each IDS Chief, and (iii) observed shifts in project priorities.

Evidence from May 2024 Meeting Minutes (Under Section Chief Sarah Rehman): The minutes from 14 May 2024 show that the early focus under Ms. Sarah Rehman was on diagnostic clarity, government context, and building officer capacity. She agreed with most diagnostic findings, requested contextual adjustments, and emphasised strengthening planning officers inside sections rather than creating a separate appraisal unit. She proactively provided lists of PC-1s, asked for detailed criteria, and ensured that the embedded team gained access to pre-PDWP meetings.

Evidence from August 2024 Meeting Minutes (Under Senior Chief Adil Safi): When leadership transitioned to Mr. Adil Saeed Safi, the project direction did not deviate; instead, it became more strategic and impact-oriented. Mr. Safi explicitly stated that the earlier selected PC-1s were “not of significant impact or quantum” and instructed that a new list of higher-impact schemes be provided for appraisal. He also strengthened operational routines introducing weekly progress meetings and securing invitations for the embedded team to attend all pre-PDWP meetings.

Evidence from October 2024 Meeting Minutes (Under Section Chief Ehtisham-ul-Haq): Under Mr. Ehtisham-ul-Haq, the emphasis shifted further toward system integration and

alignment. He confirmed the continuation of previously selected PC-1s and added requirements for MIS workflows, PCFMS access, and ensuring that the embedded team's input was systematically recorded in pre-PDWP minutes - issues raised by the team earlier. This indicates continuity, not disruption.

Synthesis of Triangulated Evidence: Across all three leadership periods, the minutes show no major change in the core direction of the assignment. Instead:

- Under Sarah Rehman: Focus on diagnostic grounding and capacity building.
- Under Adil Safi: Strategic correction - moving from low-impact to high-value PC-1 selection and institutionalising routines (weekly reviews, PDWP invitations).
- Under Ehtisham-ul-Haq: Emphasis on systems, documentation, and MIS integration, ensuring appraisal work aligns with departmental processes.

This progression reflects course correction, not course deviation.

Conclusion of Triangulation: The documentary evidence implies that turnover didn't create any deviation. Instead, leadership changes refined and strengthened the assignment:

- Priorities evolved, but never reversed.
- Core objectives remained intact across all three Chiefs.
- Each leadership transition introduced improvements - better selection of PC-1s, stronger documentation practices, or enhanced integration with existing systems.

Therefore, the evaluation concludes that while turnover did require repeated onboarding of new focal persons, the overall trajectory of work remained consistent, and the changes often led to improved strategic alignment and higher-impact appraisal choices.

iii. Joint Role of SNG-II and PRIDE (Corresponding Report Section: 3.3 and A.3.3) To explain the joint role of SNG-II and PRIDE, it was important to clarify how the two programmes interacted. Without this clarity, it would have been difficult to attribute specific reforms - such as the PFM Act, fiscal risk work, or early budgeting improvements - to either programme alone. The triangulation therefore aimed to understand *how* the two programmes worked together in practice, especially during the period when PRIDE had been signed but was not yet fully operational, while SNG-II was already active and delivering technical work.

By comparing four interviews (KII with former PFM Advisor of SNG-II, KII with Special Secretary of Finance Department Punjab, KII with former Special Secretary of Finance Department Punjab, KII with Head of PFM Unit in Finance Department Punjab) from officials who engaged with both programmes, a consistent story emerged. Across all accounts, people described the PFM Act as the major structural reform, and noted that SNG-II had pushed early technical work forward while PRIDE's structures were still being set up during COVID-19. Several early deliverables produced by SNG-II ended up helping Punjab meet PRIDE's DLIs - such as the COVID revenue impact assessment, the fiscal risk framework, and early momentum on integrated financial systems. At the same time, interviewees also

stressed that PRIDE formalised and financed many of the same reforms that SNG-II had already charted through the PFM Reform Strategy.

This convergence across multiple perspectives allowed a clear, balanced conclusion: SNG-II shaped and accelerated the upstream reform agenda, while PRIDE institutionalised and operationalised it once its systems were in place. The synthesis simply reflects the points that were repeatedly confirmed across interviews, giving a coherent explanation of why the two programmes appear intertwined in Punjab’s PFM reform journey.

iv. OSR in Rahim Yar Khan (Corresponding Report Section: 3.6 and A.3.6) During a Focus Group Discussion held in Rahim Yar Khan on 2 May 2025, participants explained that - with SNG-II’s support - a new revenue source, the *conversion fee*, had been identified. They noted that SNG-II had engaged the Punjab Municipal Development Fund Company (PMDFC) to conduct surveys to detect residential properties being used commercially. The revenue increase was verified through district accounts records examined in the office of the Municipal Officer Finance, Municipal Corporation Rahim Yar Khan.

Earlier, during the evaluation team’s visit to the PMDFC office in Lahore on 29 April 2025, the team had already reviewed the property survey dashboard, which corroborated the FGD statements.

The reported increase in Rahim Yar Khan’s own-source revenue was further confirmed by the Commissioner Bahawalpur - interviewed on 15 July 2025 in relation to her prior role as Special Secretary, Local Government and Community Development Department, Punjab. As Commissioner, she oversees the division in which Rahim Yar Khan is located.

vi. Corroborating [Documentary Evidence](#) to Assess SNG-II’s Role in Punjab Pension Reforms (Corresponding Report Section: 3.5 and A.3.5)

The assessment of SNG-II’s contribution to Punjab’s pension reform was based on a triangulated reading of multiple official documents - notifications, committee minutes, Cabinet submissions, and correspondence with the Securities and Exchange Commission of Pakistan (SECP). Together, these sources form a consistent documentary trail that shows SNG-II not only advising but formally participating in pension reform design, drafting, and implementation processes.

First, official notifications explicitly include SNG-II personnel as co-opted members of the Punjab Pension Reform Plan Committee, demonstrating formal recognition of their technical role. For example, the Finance Department’s notification dated 05 December 2022 lists two SNG-II advisors - PFM Advisor and Fiscal Space Advisor - as committee members responsible for deliberating pension reform modalities. This establishes institutional embedding rather than informal support.

Second, meeting notices and minutes consistently record SNG-II’s participation, inputs, and technical analysis. Minutes from the 16 March 2023 meeting on implementing the Punjab Pension Reform Plan show that the Finance Secretary presented actuarial assessments and reform options with support from SNG-II (referred to as “PFM Advisors, SNG”) and that the forum discussed reform parameters drafted with SNG-II’s assistance . The minutes also

document SNG-II's contributions to defining the New Defined Contribution Pension Scheme, including scheme design elements, management arrangements, and the role of the Pension Fund Managers.

Third, documents related to Cabinet deliberations and subsequent notifications reinforce the continuity of SNG-II's advisory role. Follow-up notifications in January 2024 again list SNG-II's PFM Specialist as a co-opted member for the implementation of the Defined Contribution Pension Scheme, tasked with preparing rules, drafting agreements with SECP-registered fund managers, and supporting reporting mechanisms. This repeated formal inclusion across different stages shows sustained technical reliance on SNG-II.

Finally, correspondence with SECP and agendas for technical meetings confirm that SNG-II was part of official government delegations engaging external regulators, a role typically reserved for core government staff. The letters hosting joint meetings with SECP list SNG-II team leaders as official participants, evidencing the programme's position as a recognised technical arm of the reform process.

Taken together, these documents corroborate each other: committee membership notifications confirm mandate; minutes demonstrate substantive input; Cabinet submissions show influence on decision-making; and SECP correspondence reflects technical credibility beyond the provincial bureaucracy. This coherent set of evidence substantiates SNG-II's integral role in shaping Punjab's transition from a Defined Benefit to a Defined Contribution pension system.

A.1.6. Ethics and Safeguarding

The evaluation was undertaken according to institutional policies and standard operating procedures on research ethics, data protection, and professional conduct. The following cover different measures taken to ensure ethics and safeguarding:

1. A safeguarding risk assessment was undertaken as part of the evaluation design. Given the institutional and technical nature of the programme and the profile of respondents, safeguarding risks were assessed as low. The evaluation did not involve children, marginalised communities, survivors of violence, or other vulnerable groups. Nor did it involve sensitive personal topics that could reasonably be expected to cause distress or harm. Nevertheless, the evaluation team remained attentive to professional conduct and power dynamics, particularly in interactions involving government staff or contracted ICF partners. Interviewers were trained to conduct discussions respectfully, avoid leading or coercive questioning, and terminate interviews if participants appeared uncomfortable.
2. Although no safeguarding incidents were anticipated during the evaluation, SDPI's internal procedures include clear protocols for reporting and escalation should ethical or safeguarding concerns arise. Evaluation team members were briefed on these procedures prior to fieldwork. Only one such incident occurred in the first week of May, when Pakistan was facing tensions on its Eastern border. With the permission of FCDO, the physical fieldwork was halted for one week and interviews were conducted online.

3. All evaluation instruments - for Key Informant Interview (KII) guides, Focus Group Discussion (FGD), and surveys - were reviewed and approved by FCDO prior to field deployment. This approval process provided an additional layer of assurance that the tools were appropriate, non-intrusive, and proportionate to the institutional context in which the evaluation was conducted.
4. Given that majority of respondents were government officials, prior scheduling was done instead of showing up uninvited in their offices.
5. Informed consent was a core requirement for participation in the evaluation. At the start of each interview or discussion, respondents were clearly informed about the purpose of the evaluation, the voluntary nature of their participation, their right to decline to answer any question, and their right to withdraw from the interview at any point without any consequence. Following standard consent statement was ensured for all the interviews and FGDs:
“Thank you for taking the time to speak with us. We are conducting an evaluation of the SNG-II programme and would like to ask for your insight. You may disclose your identity if you wish to; alternatively, your identity and responses will remain confidential and anonymous. Participation is voluntary, and you can skip questions or stop the interview at any point. The interview will take around 60 minutes, and we would like to record this session for our notes later. May we proceed?”
Explicit verbal consent was obtained before commencing interviews and before recording any discussion. Where respondents did not wish to be recorded, detailed written notes were taken instead.
6. Confidentiality and anonymity were maintained throughout the evaluation process. While many respondents were senior public officials, all interview data has been anonymised at the analysis and reporting stages. Individual names, titles, or identifiable remarks have not been attributed in the report unless explicit permission was provided and attribution was necessary for contextual clarity.

Overall, the evaluation adhered to robust ethical and safeguarding standards, with appropriate risk assessment, informed consent, and confidentiality safeguards embedded throughout the design and implementation. Given the institutional nature of the programme and respondent profile, safeguarding risks were assessed as low, yet clear protocols, interviewer training, and FCDO-approved tools ensured professional and respectful engagement. Practical measures -including prior scheduling of interviews, options to decline recording, anonymisation of data, and adaptive fieldwork arrangements during periods of heightened security risk - helped protect participants and uphold ethical integrity across all stages of the evaluation.

A.1.7. Data Quality Assurance and Completeness

Three core principles guided the data quality and completeness:

1. **Triangulation** – Validating insights through multiple sources (KIIs, FGDs, programme documents, and beneficiary surveys).
2. **Responsiveness** – Adapting data collection plans to field realities without compromising methodological rigor.
3. **Internal M&E Oversight** – Continuous internal monitoring, led by the team’s M&E expert, ensured compliance with data standards across provinces.

The data collection process was rigorous, but not without disruptions. The team encountered several unforeseen operational challenges that required rescheduling, realignment, and enhanced coordination. In several cases, especially in complex departments such as Finance, Local Government, or Social Protection, a single respondent could not provide a comprehensive view of departmental operations or reform processes. Respondents who had recently joined the government within six to eight months had limited institutional memory, which posed challenges for evaluating long-term outcomes or accurately attributing changes. Also the fieldwork in Punjab was halted unexpectedly amid heightened tensions between India and Pakistan. Travel advisories were issued, and access to government premises was restricted in sensitive districts. The concurrent timing of the Annual Review of SNG-II with the fieldwork phase led to overlaps in availability of respondents. Officials were preoccupied with preparing presentations and data submissions for the review, thereby delaying some planned interactions. Government officials were often hesitant or unable to answer retrospective questions about earlier years of the programme.

The team proactively maintained rolling interview calendars and followed up persistently with department secretaries. Buffer slots were built into the schedule to allow for flexibility. A minimum of two interviews per department were conducted, especially in large institutional setups. The evaluation team traced and interviewed ex-officials who had been part of earlier reform phases but had since moved to different roles or departments. Interviews were rescheduled with an emphasis on virtual modes where feasible. The pause was used to conduct data cleaning, internal debriefings, and cross-verification of completed interviews. This adaptive use of downtime ensured minimal productivity loss. The team split the interviewers geographically and institutionally, allowing parallel interviews with non-core departments to proceed while follow-ups with core departments were postponed and later conducted. Where historical context was unavailable, document review and interviews with SNG advisors and former officials were used to reconstruct reform trajectories.

To maintain data credibility, a robust internal M&E system was developed to oversee field protocol compliance, completeness checks, and thematic consistency across tools. Quality assurance took place at different levels. Below is a matrix summarizing the quality assurance measures implemented during data collection. It highlights the strategies adopted to maintain data integrity, the responsible team members for each method, and the purpose of each assurance mechanism. This structured approach ensured that challenges encountered in the field did not compromise the data’s validity or completeness.

Table 20: Quality Assurance Matrix

Quality Assurance Method	Responsible Team Member(s)	Purpose
Triangulation of Sources	All Team Members	To ensure validity by corroborating data from KIIs, FGDs, and surveys
Multiple Respondent Interviews per Department	Interview Leads (Province Specific)	To compensate for incomplete or partial information from single respondents
Internal M&E Review by Junaid Zahid	Junaid Zahid	To monitor the quality and consistency of M&E data collection processes
Gender Analysis Integration by Aliya Khan	Aliya Khan	To ensure data reflects gender - sensitive and inclusive perspectives
Expert Review of Data Instruments	Suleman Ghani, FCDO	To guarantee methodological rigour and relevance of instruments
Field Notes Review and Consistency Checks by Research Team	Ahad, Attique & Asim	To maintain coherence across field data and research protocol
Selected Audio Recordings Cross - Verified with Transcripts	Interviewers and Note - takers	To ensure fidelity and completeness in transcribed materials
Peer Debriefing among Team Members	All Core Evaluation Team Members	To challenge assumptions and bias in collected data
Documentary Cross - Referencing with Programme Records	Experts and Data Analysts	To verify interview content against existing programme evidence
Interview Scheduling Revisions due to Conflict/Review Events	Ahad, Maheen, Asim and Attique	To maintain continuity and access amid unforeseen political situations
Follow-up Interviews to Address Information Gaps	Interviewers	To supplement missing or unclear information through additional data points
Tracing Ex - Officials for Historical Context	Field Coordinators with help of SNG-II Teams	To add institutional context for policies initiated under past officials
Institutional Memory Validation in Case of New Officials	Interviewers and Supervisors	To interpret data accurately when respondents lack historical knowledge
Break Management and Rescheduling Strategy during Indo-Pak Conflict	Team Lead & Project Coordination Team	To avoid data loss and maintain fieldwork timelines

A.1.8. KIIs and FGDs Respondents

Each respondent and discussion is assigned a unique code to ensure clarity, anonymity, and traceability during analysis. The first letter indicates the respondent category: G for Government official KIIs, I for Innovation Challenge Fund / implementation partner KIIs, S for SNG-II advisor KIIs, and F for Focus Group Discussions (FGDs). The next two letters denote the province, with PB representing Punjab and KP representing Khyber Pakhtunkhwa. The final two digits are a sequential serial number, indicating the order of interviews or FGDs within each category and province (e.g. GKP01 refers to the first government official KII conducted in KP).

Table 21: KIIs and FGDs Respondents - Punjab

Department	Respondent	Date	Code
Planning and Development Board	Secretary, P&DB, Punjab	10th April 2025	GPB01
	Chief Environment, P&DB, Punjab	14th April 2025	GPB02
	Chief Coordination, P&DB, Punjab	14th April 2025	GPB03
	Chief SDGs Unit/Former Joint Chief Economist, P&DB, Punjab	15th April 2025	GPB04
	Former Secretary, P&DB, Punjab	17th July 2025	GPB05
	Former Chairman, P&DB, Punjab	17th July 2025	GPB06
Punjab Resource Management and Policy Unit	Managing Director. PRMP, Punjab	14th April 2025	GPB07
Finance Department	Additional Finance Secretary (Budget), Finance Dept. Punjab	16th April 2025	GPB08
	Special Secretary, Finance Dept. Punjab	2nd July 2025	GPB09
	Former Special Secretary, Finance Dept. Punjab	2nd July 2025	GPB10
	Former Secretary Finance, Finance Dept. Punjab	29th July 2025	GPB11
	PFM Specialist, PFM Unit, Finance Dept. Punjab	31st July 2025	GPB12
Punjab Revenue Authority	Chairman PRA/Special Secretary Finance, Finance Dept.	16th April 2025	GPB13
	Member I.T, PRA	15th May 2025	GPB14
	Former DG, PRA	16th July 2025	GPB15

Excise, Taxation and Narcotics Control Department	Additional DG Excise, ET&NCD, Punjab	5th May 2025	GPB16
	Former Director General, ET&NCD, Punjab	5th August 2025	GPB17
Local Government and Rural Development	Special Secretary, LG&RD, Punjab	6th May 2025	GPB18
	Additional Secretary, LG&RD, Punjab		
	Deputy Secretary, LG&RD, Punjab		
	Former Special Secretary, LG&RD, Punjab	15th July 2025	GPB19
Punjab Social Protection Authority	CEO, PSPA, Punjab	6th May 2025	GPB20
	GM and Director Programs, PSPA, Punjab		
	Former Deputy CEO (Additional Charge as CEO), PSPA, Punjab	7th August 2025	GPB21
Labour & Human Resource Department	Deputy Secretary (Development), L&HRD Punjab	28th April 2025	GPB22
Social Welfare Department	Director (Planning and Development), SWD, Punjab	30th April 2025	GPB23
Punjab Pension Fund	Chief Investment Officer, PPF	30th July 2025	GPB24
Security Exchange Commission Pakistan (SECP)	Commissioner, SECP	6th August 2025	GPB25
LUMS	Faculty Advisor, TPI, LUMS	28th April 2025	IPB01
	Programme Director, TPI, LUMS		IPB02
Punjab Information Technology Board	DG (E-Gov.), PITB, Punjab	29th April 2025	IPB03
	Director, PITB, Punjab		
	Joint Director, PITB, Punjab		
Punjab Municipal Development Fund Company	Manager (FNA), PMDFC, Punjab	29th April 2025	IPB04
	Manager (IT), PMDFC, Punjab		
	General Manager (IS), PMDFC, Punjab		
GCS Pvt. Ltd.	GCS Pvt. Ltd.	30th April 2025	IPB05
NETRACON Pvt. Ltd	NETRACON Pvt. Ltd.	30th April 2025	IPB06
Red Buffer Pvt. Ltd.	Head Engineering Dept., Red Buffer Pvt. Ltd.	1st May 2025	IPB07
KPMG	KPMG Punjab Team	15th May 2025	IPB08

SNG-II Advisors	PFM Advisor, SNG Punjab	7th April 2025	SPB01
	Planning Advisor, SNG Punjab	7th April 2025	SPB02
	A&I Advisor, SNG Punjab	7th April 2025	SPB03
	MEL Advisor, SNG Punjab	7th April 2025	SPB04
	Team Lead, SNG Punjab	8th April 2025	
	PFM Advisor, SNG Punjab	17th April 2025	SPB05
	Fiscal Space Advisor, SNG Punjab	17th April 2025	SPB06
	ICF Advisor	17th April 2025	SPB07
	Planning Expert, SNG	17th April 2025	SPB08
	Social Protection Advisor, SNG Punjab	7th May 2025	SPB09
	Sr Local Governance Advisor, SNG Punjab	7th May 2025	SPB10
	DTL North, SNG Punjab	7th May 2025	SPB11
FGD, Nankana Sahib	DC Nankana Sahib	11th April 2025	FPB01
	CO MC Nankana Sahib		
	MoF MCs Nankana Sahib		
	Deputy Director (Development), Shahkot, Shangla Hill		
FGD, Rahim Yar Khan	DC Rahim Yar Khan, CO (MC) RYK), MoF (MC) RYK	2nd May 2025	FPB02
FGD, Kasur	DC Kasur	16th May 2025	FPB03
	MC Patoki (kasur)		
	MC Chunian (kasur)		
	Mr. Malik Ehtisham, MC KRK (Kasur)		
	MC Mustafaabad (Kasur)		
FGD, Sialkot	AC Sialkot	17th May 2025	FPB04
	MC Sialkot		
	MC Pasrur (Sialkot)		
	MC Daska (Sialkot)		
	MC Sambrial (Sialkot)		

Table 22: KIIs and FGDs Respondents – Khyber Pakhtunkhwa

Department	Respondents	Date	Code
Planning and Development Department	Chief Secretary, P&DD, KP	20th May 2025	GKP01
	ACS, Planning, KP		
	Assistant Chief IDS, P&DD, KP	16th June 2025	GKP02
	Chief, SP&GM, P&DD, KP	19th June 2025	GKP03
	Former Chief IDS, P&DD, KP	24th June 2025	GKP04
	Chief Economist, P&DD, KP	25th June 2025	GKP05
	Former Chief Economist, P&DD, KP	19th July 2025	GKP06
	Former ACS, P&DD, KP	24th July 2025	GKP07
Finance Department	Minister for Finance, Finance Dept., KP	20th May 2025	GKP08
	Additional Secretary, Finance Dept., KP	18th June 2025	GKP09
	Team Lead, DMU, Finance Dept., KP	19th June 2025	GKP10
	Special Secretary (Budget), Finance Dept., KP	15th July 2025	GKP11
	Former Special Secretary, Finance Dept., KP	23rd July 2025	GKP12
	Former Special Secretary, Finance Dept., KP	23rd July 2025	GKP13
Excise, Taxation & Narcotics Control Department	Secretary, ET&NCD, KP	3rd June 2025	GKP14
	Director Revenue, ET&NCD, KP	20th June 2025	GKP15
	I.T, ET&NCD, KP		
Khyber Pakhtunkhwa Revenue Authority	Director General, KPRA, KP	3rd June 2025	GKP16
	Collector, KPRA, KP		
Local Government Election & Rural Development Department	Chief Planning Officer, LG&RDD, KP	29th May 2025	GKP17
Public Policy & Social Protection Reform Unit	Assistant Director, PP&SPRU, KP	27th May 2025	GKP18
	Assistant Director, PP&SPRU, KP		
	Project Director, PP&SPRU, KP		
	Research Officer, PP&SPRU, KP		
UET, Peshawar	Assistant Professor, UET, Peshawar, KP	26th May 2025	IKP01

KPMG	KPMG, KP Team	26th May 2025	IKP02
CGPA	CGPA	27th May 2025	IKP03
CPDI	CPDI	29th May 2025	IKP06
Comcept	Comcept	2nd June 2025	IKP04
Evamp & Sanga	Evamp & Sanga	2nd June 2025	IKP05
SNG-II Advisors	MEL Advisor, SNG KP	27th March 2025	SKP01
	Monitoring Associate, SNG KP		
	Comm Advisor, SNG KP		
	Team Lead, SNG KP	20th May 2025	SKP02
	Governance Advisor, SNG KP		SKP03
	A&I Advisor, SNG KP		
	PFM Advisor, SNG KP	21st May 2025	SKP04
	Fiscal Space Advisor, SNG KP	22nd May 2025	SKP05
	Fiscal Space Advisor, SNG KP		
	Social Protection Advisor, SNG KP	22nd May 2025	SKP06
	SP Associate, SNG		
	DTL North, SNG Team KP	23rd May 2025	SKP07
	DTL North, SNG Team KP	23rd May 2025	SKP08
FGD, Haripur	AC Haripur	22nd May 2025	FKP01
	District Architect Haripur		
	Chairman Tehsil Haripur		
FGD, Swabi	Chairman Swabi	27th May 2025	FKP02
	PFM Advisor, SNG Team KP		
	Research Assistant, SNG Team KP		
	Tehsil Officer Finance Swabi		
	TMO, Swabi		
FGD, Mansehra	Tehsil Chairman Mansehra	29th May 2025	FKP03
	TMO Mansehra		
	TO (Infrastructure) Mansehra		
	District Architect Mansehra		
	TO (I&S) Mansehra		
	TOR Mansehra		
	Planning Officer, Mansehra		
FGD, Buner	Ex- ADC (F&P) Buner	16th June 2025	FKP04
	TMO Buner		
	Finance Officer Buner		
FGD, Shangla	ADC (F&P) Shangla	17th June 2025	FKP05
	AD I.T (F&P) Shangla		
	TMO, Shangla		
	Teshil Chairman Shangla		

	PFM Adviosr, SNG KP		
	Research Asssistant, SNG KP		
FGD, Lower Dir	ADC (F&P) Lower Dir	18th June 2025	FKP06
	TMO Lower Dir		
	TO (I&S) Lower Dir		
	Sub Engineer Lower Dir		
	Research Assistant, SNG KP		
FGD, Swat	ADC I.T (F&P)	19th June 2025	FKP07
	Planning Officer		
	Deputy Dir. (I.T)		
	Head DTL, SNG KP (Swat)		
	PFM Advisor, SNG KP (Swat)		
	EX-TMO, Bahrian		
	TOR, Kabal		
	Tehsil Chairman, Bahrain		
	Chairman Teshil Kabal		
	Research Associate, SNG KP (Swat)		
	PFM Advisor, SNG KP (Swat)		
	Tehsil Chairman, Barikot		
	TMO, Barikot		
	Building Inspector		
	TO (Regulations), Swat		
PFM Advisor, SNG Team (Swat)	20th June 2025	FKP08	
Research Assistant, SNG KP (Swat)			
General Manager, WSSC, Swat			

A.1.9. Questionnaire

Due to limited space, we are providing below the questionnaire for Planning and Development Board. All other survey tools can be accessed [here](#).

Planning and Development Board, Government of Punjab (Output 1.1)

1. Introduction for Respondents (to be given by the Interviewer)

We understand that the Planning and Development department has been engaged with the SNG-II programme for the last 6 years to improve planning and budgeting, making plans more strategic, equitable, and responsive to citizen's needs, especially women, minorities, and people with disabilities. This evaluation aims to provide critical evidence and learning regarding the programme; highlight whether and how targeted outcomes were achieved; inform future policy reforms and strategic development decisions; and conduct a process evaluation to assess the effectiveness of implementation modalities, including technical

assistance, capacity building, and institutional strengthening efforts at provincial and local government levels.

To perform this evaluation, the questions proposed have been drafted in line with the OECD-DAC Criteria. They will evaluate the programme across six areas: relevance, coherence, effectiveness, efficiency, impact, and sustainability.

1.1. Informed Consent

“Thank you for taking the time to speak with us. We are conducting an evaluation of the SNG-II programme and would like to ask for your insight. You may disclose your identity if you wish to; alternatively, your identity and responses will remain confidential and anonymous. Participation is voluntary, and you can skip questions or stop the interview at any point. The interview will take around 60 minutes, and we would like to record this session for our notes later. May we proceed?”

Yes No

1.2. Respondent profile

- i. Name:
- ii. Gender:
- iii. Job title:
- iv. Department:
- v. Total experience (year):
- vi. Duration of involvement in SNG-II Programme:

- 1. How would you define the role and importance of the Technical Assistance programmes in your department/section?**
- 2. What specific support did SNG-II provide to your department/section?**
- 3. In your opinion, what are some of the biggest achievements of the SNG II programme with respect to P&D Board’s functionality and effectiveness?**

1.3. OECD - DAC Criteria

To perform this evaluation, the questions proposed have been drafted in line with the OECD-DAC Criteria. They will evaluate the programme across six areas: relevance, coherence, effectiveness, efficiency, impact, and sustainability.

1.3.a. Relevance

- i. We understand that during initial phase of SNG-II’s implementation, the province underwent specific governance challenges due to the COVID-19 pandemic and climate-driven floods. Do you think the interventions of SNG II were adequately

designed to strengthen the Government's response to the pandemic? Please explain your answer.

- ii. What measures did the Government take as a priority during the pandemic? Please comment on SNG-II's role in the delivery of these measures.
- iii. Were the reforms anchored in overall provincial agenda?

1.3.b. Coherence

- i. Did SNG-II's work with the Finance, Revenue, and Excise & Taxation Departments (aimed at increasing fiscal space and generating savings from within the Government's own budgets) complement overall planning agenda of Govt. of Punjab?
- ii. In what areas do you think SNG-II's components integrated more with the work of (I) the Government and (II) other development partners?
- iii. Did SNG-II lead to an embedded system for coordinating various programmes and aligning their objectives?

1.3.c. Effectiveness

- i. What process did the P&D and SNG-II team employ to identify tehsils/areas where governance reforms were immediately necessary (through SNG-II's Innovation Challenge Fund)? How did reforms implemented by SNG-II improve service delivery?
- ii. How would you rate the Government's ADP formulation process, including planning, budgeting, monitoring and appraisals, mid-term evaluation, and management of public funds? In what ways do you think SNG-II has strengthened this process?
- iii. Is the revised Planning Manual and Project Implementation Policy clear, accurate, and easy to comprehend for officers at the P&D? (*question to rebut the presumption that these systems and tools can only effectively be used by officers trained by SNG-II*)
- iv. How would you rate the Planning Reform Strategy (PRS) in strengthening the ADP formulation process? How do you think SNG-II contributed towards it?
- v. Which internal planning, budgeting, or performance review processes have been formally adopted or strengthened in your department as a direct result of SNG-II support?

1.3.d. Efficiency

- i. How efficient (timeliness & flexibility) do you think SNG-II was in providing technical assistance, building capacity, and strengthening the ADP formulation process for the P&D?

- ii. Do you think OPM's processes for providing technical assistance to the P&D were efficient? If yes, please elaborate. If not, please provide details.
- iii. How effective was the communication and coordination among OPM, the P&D, and other stakeholders?
- iv. Do you think Programme Steering Committee was an appropriate tool/platform for providing strategic oversight and appraisal to the SNG-II's work plan or choice of reform workstreams?
- v. Did PSC play an active role in evaluating the working of Departmental RWGs with respect to the selection of workstreams/tasks for SNG-II annual work plan?
- vi. Coming to the efficiency of P&D Dept. itself, do you think that the Dept. has become more dependent on TA from SNG-II team?

1.3.e. Impact

- i. To the IMF's Public Investment Management Assessment (PIMA), Out of 10 where 10 is the best and one is the worst, how would you rate P&D's internal processes and capacity to (1) assess and mitigate project risks, (2) appraise ADP schemes, (3) meet fiscal targets, (4) manage public assets, and (5) improve sectoral planning, have improved or been strengthened?
- ii. What sort of training needs assessments were carried out for officers trained by SNG-II? Please give details regarding training needs assessments conducted by SNG-II, training delivered, impact measured upon officers and overall, upon the P&D, way forward for training, and any other area you wish to comment upon.
- iii. Do you think a subsequent programme built upon the lessons learned by SNG-II is necessary for the P&D?

1.3.e.1. Gender and Inclusion-Specific Impact

- i. To what extent is gender-disaggregated data employed in formulating ADP schemes at the P&D and planning units? How do you think SNG-II impacted a change, if any?
- ii. Can you give examples of recently approved or currently operational ADP schemes that have (I) incorporated provincial women's development and international targets for gender mainstreaming in planning and budgeting and (II) benefited marginalized communities?
- iii. (Output 1, Indicator 1.4) In your opinion, to what extent (please feel free to assign a percentage value) will the P&D use the Spatial Vulnerability Index developed by SNG-II to target funds toward vulnerable populations in Punjab?

1.3.f. Sustainability

- i. Do you think the ADP planning, budgeting, and impact assessment reforms introduced by SNG-II will continue to be implemented in future years? Please provide details.

- ii. What challenges has the P&D faced in institutionalising reforms introduced by SNG-II? How were these challenges mitigated?
- iii. (Output 1, Indicator 1.4) Following completion of SNG-II, do you think Government departments are adequately equipped to collect and analyse gender disaggregated primary data and subsequently draft evidence-based policies/programmes?
- iv. (Output 1, Indicator 1.4) What further actions will the Government of Punjab need to take to ensure continuity of collection and use of gender-disaggregated data?
- v. Can your department continue to use any SNG-II developed tools, guidelines, or standard operating procedures (e.g., annual development planning formats, output-based budgeting templates, sector strategy frameworks) without needing external support?

A.2. Evolution of SNG-II's Outputs (2019-25)

This Annexure lists the Outputs from 2019 to 2025. The list is an evidence in support of the findings in Sub-Section 3.1 of the main report.

A.2.1. Outputs in 2019

Output 1: Interim support to the Punjab Government

- **1.1** PEFA analysis carried out in Punjab
- **1.2** MTBF initiated by the Finance Department for at least two line departments
- **1.3** Punjab Growth Strategy developed
- **1.4** Revision and updating of the planning manual

Output 2: Programme mobilisation and management

- **2.1** Provision of priority interim support aligned with relevant PFM strategies until the main service provider comes on board
- **2.2** Mobilise and manage the open procurement process for the full SNG-II programme

A.2.2. Outputs in 2020

Output 1: Plans are more evidence-based and institutions better organised to deliver

- 1.1** Planning capabilities in key provincial government institutions (Punjab and KP).
- 1.2** Planning and monitoring capabilities of local governments (Punjab and KP).
- 1.3** Citizen engagement in planning and budgeting (Punjab and KP; federal stream for research support).

Output 2: Budgeting is more robust and transparent and spending better reflects budgets

- 2.1** Policy-based fiscal strategy and budgeting (Punjab and KP; aligned to PEFA dimension 16.2).
- 2.2** Need-based, equitable resource distribution mechanism for local governments (Punjab and KP).
- 2.3** Budget executed as planned (Punjab and KP).
- 2.4** Budget transparency and accountability at provincial and local levels, with improvement plans against PEFA indicators (Punjab PI-5; KP PI-9 and citizen engagement).

Output 3: Fiscal space is increased with more resources available for service delivery

- 3.1** Provincial own-source revenues (Punjab and KP).
- 3.2** Efficiency savings in government expenditure (Punjab and KP).

Output 4: Innovative approaches developed and piloted

4.1 Innovative approaches developed and piloted, with knowledge generated through adaptive learning.

4.2 Number of Action Research projects implemented and evaluated.

4.3 Number of Innovation Challenge Fund pilots implemented and evaluated.

Output 5: SNG-II interventions result in improved service delivery as perceived by citizens in KP and Punjab

5.1 Perception survey captures citizen experiences of service delivery in KP and Punjab.

Output 6: Interim Support to Punjab Government

6.1 PEFA analysis carried out in Punjab, with final report published; medium term budget framework initiation noted.

6.2 Punjab Growth Strategy developed and published.

6.3 Revision and updating of the Planning Manual.

Output 7: Programme mobilisation and management

7.1 Provision of priority interim support to government until the main service provider mobilises.

7.2 Mobilise and manage an open procurement process for the full SNG-II programme.

A.2.3. Outputs in 2021

Output 1: Plans are more evidence-based and institutions better organised to deliver

1.1 Planning capabilities in key provincial government institutions.

1.2 Planning and monitoring capabilities of local governments.

1.3 Citizen engagement in planning and budgeting.

Institutional mechanisms for social protection.

Output 2: Budgeting is more robust and transparent and spending better reflects budgets

2.1 Policy-based fiscal strategy and budgeting.

2.2 Need-based, equitable resource distribution mechanism for local governments.

2.3 Variation between planned and executed budget (cash management and fund release).

2.4 Budget transparency and accountability at provincial and local levels.

Output 3: Fiscal space is increased with more resources available for service delivery

3.1 Provincial own-source revenues.

3.2 Efficiency savings in government expenditure.

Output 4: Innovative approaches developed and piloted

- 4.1 Knowledge generated through adaptive learning (ICF/AR process revised).
- 4.2 Number of Action Research (AR) projects implemented and evaluated.
- 4.3 Number of Innovation Challenge Fund (ICF) pilots implemented and evaluated.

A.2.4. Outputs in 2022

Output 1: Plans and budgets are more evidence-based and executed as planned

- 1.1 Planning capabilities in provincial and local government institutions.
- 1.2 Budget preparation process.
- 1.3 Budget execution in government.
- 1.4 Citizen engagement in planning and budgeting.

Output 2: Institutions adapt to changing context (social protection, climate, federal performance)

- 2.1 Provincial social protection mechanisms operational.
- 2.2 Institutional capacity to plan and finance management of climate change.
- 2.3 Performance Agreements implemented across federal ministries.

Output 3: Fiscal space increased (revenue and efficiency)

- 3.1 Provincial own-source revenue (OSR) capacity and collection strengthened.
- 3.2 Efficiency savings in government expenditure.

Output 4: Innovative approaches developed and piloted

- 4.1 Number of Action Research (AR) projects implemented and evaluated.
- 4.2 Number of Innovation Challenge Fund (ICF) pilots implemented and evaluated.

A.2.5. Outputs in 2023

Output 1: Plans and budgets are more evidence-based and executed as planned

- 1.1 Planning capabilities in provincial and local government institutions
- 1.2 Budget preparation process
- 1.3 Budget execution in government
- 1.4 Citizen engagement in planning and budgeting

Output 2: Institutions are better organised to deliver (Covid recovery & climate adaptation)

- 2.1 Institutional capacity to plan and deliver post-Covid-19 recovery

2.2 Institutional capacity to plan and finance management of climate change

2.3 Institutionalisation of performance management system in Federal Government for improved performance

Output 3: Fiscal space is increased with more resources available for service delivery

3.1 Provincial own-source revenue capacity

3.2 Efficiency savings in government expenditure

Output 4: Innovative approaches developed and piloted

4.1 Number of Action Research projects implemented and evaluated

4.2 Number of ICF pilots implemented and evaluated

A.2.6. Outputs in 2024

Output 1: PFM systems are strengthened for effective planning and budgeting

1.1 Provincial planning capability

1.2 Provincial budget preparation capability

1.3 Provincial budget execution capability

Output 2: Institutions are better organised to deliver

2.1 Institutional capacity to deliver, including social protection and climate change

2.2 Institutionalisation of a performance management system in the federal government for improved performance

Output 3: Fiscal capacity is strengthened to enhance revenue and expenditure efficiency

3.1 Own source revenue capacity

3.2 Capacity to ensure expenditure efficiency

Output 4: Local level governance is improved

4.1 Local governance and PFM systems

4.2 Local level service delivery

A.2.7. Outputs in 2025

Output 1: PFM systems are strengthened for effective planning and budgeting

1.1 Provincial planning capability.

1.2 Budget preparation capability.

1.3 Budget execution.

Output 2: Institutions are better organised to deliver

2.1 Institutional delivery capacity (OPM).

2.2 Institutionalisation of performance management system in Federal Government for improved performance (UNDP).

Output 3: Fiscal capacity is strengthened to enhance revenue and service delivery

3.1 Own-source revenue capacity.

3.2 Capacity to ensure expenditure efficiency.

Output 4: Local level governance is improved

4.1 Local level governance and PFM systems.

4.2 Local level service delivery.

A.3. Detailed Analysis

A.3.1. Analysis of Intermediary Outcomes

1) Intermediary outcome 1: Performance-driven civil service

Across both provinces, SNG-II strengthened the ability of core economic-governance institutions to plan, appraise, prioritise, and monitor - shifting functions away from ad-hoc judgement and paper processes toward clearer standards, digitised workflows, and performance visibility.

In Punjab, the programme's planning support combined standards, capacity and workflow automation. The PARA toolkit was designed around structured appraisal (scoring, checklists, feasibility/funding clarity, and climate/environment screening) and then reinforced through iterative testing with departments and an internal capacity strategy built around guidance notes, trainings, and master trainers.

The planning function was further strengthened through digitisation of the PC-1 and release-order workflows via SMDP, which created a real-time repository, improved institutional memory, and introduced traceable audit trails for where delays occur in the process.

Capacity building showed measurable traction. The evaluation's validation survey of trainees found strong perceived utility and retention: most respondents reported improved work performance and continued use of the skills acquired, with a majority also reporting application of learning in their departments (though knowledge-sharing behaviour was weaker, suggesting future training design should more explicitly require internal diffusion).

In KP, progress toward a performance-driven civil service is visible in the way budgeting and ADP implementation were made monitorable. SNG-II strengthened Output-Based Budgeting by clarifying ownership (responsible offices for outputs/KPIs) and establishing monitoring loops, complemented by scheme mapping and dashboards that made ADP progress easier to track. Critically, performance evidence began to surface in senior forums: cabinet minutes started referencing performance material and a performance monitoring report launched by the Chief Minister institutionalised the expectation that implementation slippages must be explained.

KP also progressed on clarifying roles in the planning function - revising Planning Cell ToRs to shift officers from operational tasks toward sector planning, target setting, and scheme formulation aligned to sector plans and ADP guidance, with subsequent evidence of improved planning processes in some departments (including increased introduction of new schemes and schemes tailored to women/minorities in at least one cited sector).

Overall judgement: Progress against this intermediary outcome is strong, particularly where reforms created "performance visibility" (dashboards, reports, audit trails) and where standards were tied to workflow gates (digitised submissions, appraisal thresholds), rather than left as optional guidance.

2) Intermediary outcome 2: Evidence-based fiscal decentralisation

SNG-II's decentralisation contribution is most evident under Output 4, where it focused on local fiscal governance systems and routines - helping local governments raise revenues more credibly, manage finances "on system," and link fiscal autonomy to service delivery.

In Punjab, the operationalisation of LGFMIS represented a structural step toward evidence-based local fiscal management by improving visibility, standardising controls, and aligning local accounting with the provincial IFMIS/SAP backbone. The evaluation notes that reform forums helped resolve competing technical pathways (integration into SAP vs extension of AG terminals), enabling a government-owned implementation route rather than a parallel system.

In parallel, municipal OSR deepening was advanced through digitisation and GIS-enabled reforms, including automation of TTIP (reported by departments as linked to material collection increases) and a concrete GIS-based example where commercial activity operating inside residential buildings was identified and enforced through conversion fees - creating a revenue head that did not previously exist in municipal accounts.

In KP, evidence-based decentralisation is reflected both in local governance routines and in the way pilot service models were designed for scalability. Under land-use governance, SNG-II helped operationalise the Local Government Act's intent by establishing District Land Use Planning and Management Committees and strengthening meeting cadence, record keeping, and follow-through - moving decisions from ad-hoc discretion toward a workflow linked to basic criteria and a longer-term "master plan mindset."

Decentralisation was also made tangible through citizen-facing service pilots - most notably solid waste management - where the programme demonstrated how local fiscal tools (fee legalisation, council resolutions, gazette notifications) can sustain local services when paired with operational reliability and community engagement.

The evaluation records peer learning and early scale-up signals following successful pilots (including replication to additional TMAs), with sustainability hinging on policy cover, exclusivity of service arrangements, and routine funding discipline.

Overall judgement: Progress is solid and increasingly evidence-based where local governments were brought into standardised financial systems (LGFMIS) and where decentralisation was operationalised through repeatable local routines (committees, gazetted fees, service chains), rather than one-off pilots.

3) Intermediary outcome 3: Higher revenue and expenditure efficiency

The endline evaluation documents progress on both sides of the ledger: revenue mobilisation (policy, law, platforms, compliance tools) and expenditure/liability management (risk routines, cash/treasury reforms, and more disciplined budgeting).

On revenue in Punjab, reforms shifted toward a more structured, cabinet-anchored track, including statutory and process improvements in PRA that strengthen due process and administration, alongside operationalisation of digital services taxation with bank collection-agent arrangements.

The report also highlights the maturing of automation from standalone modules to an end-to-end platform and the production of risk-based audit tools and training that support a move away from intuition-led compliance.

On expenditure efficiency in Punjab, reforms were anchored in institutional arrangements that translate law into routines (notably through Finance Department capability), including flagship work on contributory pension reform with attention to execution readiness (rules, payroll integration, AG coordination), and high-yield corrections tied to commodity financing and cash/idle balance management - reducing carrying costs and improving fiscal discipline across political transitions.

In KP, revenue reforms included strengthening KPRA's legal footing, establishing workable bank collection-agent models for certain digital services, and building internal capability through master trainers and service rules that link promotion to training - creating a self-replenishing compliance capacity inside the authority.

Expenditure efficiency progress is reflected in the institutionalisation of fiscal-risk routines and the translation of analysis into concrete budget rationalisation measures (e.g., targeted savings and adjustments rather than across-the-board cuts), supported by public enterprise oversight via live portals.

Overall judgement: Progress is strong where provinces combined (a) institutional homes (units/cells/committees), (b) repeatable routines (risk cycles, rationalisation calendars), and (c) implementation tools (platforms, audit manuals, collection agents) that survive personnel and political transitions.

4) Intermediary outcome 4: Greater transparency and citizen oversight

SNG-II advanced transparency through reforms that made public finance choices more visible, contestable, and trackable - both inside government (integrated ceilings, risk statements, dashboards) and through structured engagement channels (consultations, citizen-facing products).

In Punjab, transparency gains are closely linked to integrated budgeting reforms: Joint Budget Priority Committees (JBPCs) and unified ceilings reduced duplication across current and development submissions and created a forum for negotiated trade-offs, embedding coordination as a standard budget step.

Budget architecture reforms further strengthened public-facing transparency through improved Annual Budget Statement formats, stronger Budget Call Circulars, upgraded Citizen Budgets, and regular budget execution reporting and variance analysis as part of in-year management.

Digitised workflows under SMDP also enhanced traceability through audit trails that pinpoint where delays occur and preserve document histories, reducing discretion and improving accountability.

In KP, the programme helped normalise transparency through the routine use of Fiscal Risk Statements within the budget call circular process, bringing “risk on the record” rather than treating it as an add-on.

Performance and implementation transparency were strengthened through dashboards and scheme mapping and through political-executive uptake of performance monitoring products.

On the citizen oversight side, pre-budget consultations broadened participation (including SMS inputs and town-hall style sessions that brought women’s groups and other stakeholders into the process), while business-facing mechanisms (advisory forums, proposal books) improved the structure and repeatability of non-state inputs - though the evaluation notes that influence on final allocations can remain modest when consultations occur late in the budget calendar.

Overall judgement: Progress is substantial where transparency was embedded in official routines and artefacts (budget call circular processes, risk statements, execution reports, dashboards), and where engagement channels were made repeatable. Remaining constraints are largely about timing and sustained uptake (e.g., consultations starting earlier; uneven dashboard use across departments). analys

A.3.2. Output 1.1: Improved Planning Capability

This section, Improved Planning Capability, details the concerted effort across both Punjab and Khyber Pakhtunkhwa (KP) to professionalise the provincial planning function. The interventions, guided by international frameworks like the IMF’s Public Investment Management Assessment (PIMA), focused on strengthening the entire Annual Development Plan (ADP) lifecycle, from project conceptualization to approval. Key achievements include the systematic design and institutionalisation of Project Appraisal and Risk Assessment (PARA) Standards and the digitization of the PC-1 submission workflow in Punjab (Smart Monitoring of Development Projects - SMDP), alongside KP’s work to codify Planning Cell responsibilities through formal Terms of Reference (ToRs) and develop its own Planning Manual.

A.3.2.a. Key Achievements in Punjab

i. Contribution to Punjab Growth Strategy (PGS): This was the first contribution by SNG-II back when the programme started in 2019. SNG-II’s support is evident in how the PGS tied strategy to the budget cycle and to institution-building. The Strategy anchored implementation in the Medium Term Development Framework and Annual Development Plan, with donor assistance as a complementary instrument, and it explicitly positioned itself as the overarching context for budget allocations while identifying governance and institutional measures beyond capital spending. Those choices reflected SNG-II’s advisory model on medium-term budgeting, prioritisation, and credible execution. The implementation toolkit also listed Public Private Partnerships, a strengthened provincial regulatory framework, and structured engagement with the federal government on macro management, trade, logistics, energy, and the revenue framework, which matched the areas where SNG-II had typically provided provincial support.

At sector and city level, SNG-II's fingerprints aligned with the PGS financing agenda for urban services. The Strategy aimed to expand the resource envelope for water, sanitation, transport, and solid waste through own-source revenue and cost recovery. It treated the urban property tax as under-utilised and prescribed reforms on coverage, valuation, GIS-based computerization, automated assessments, and retaining proceeds within cities, while also urging rationalization of water and sanitation user fees and stronger collections. These were the same provincial and municipal finance levers that SNG-II had advanced to make service delivery financially sustainable and investment-ready.

The PGS 2018 had to undergo an update in response to the COVID-19 shock. SNG-II supported that initiative not only because it had worked on the strategy earlier but also due to its contribution¹²⁵ to the Responsive Investment for Social Protection and Economic Stimulus (RISE)¹²⁶: Punjab's Post COVID-19 Public Investment Strategy. Considering the recommendations received during multiple consultations held for RISE Punjab, the revision in PGS¹²⁷ was done to cater to new ground realities.

ii. Planning Reform Strategy 2025: P&D Punjab and SNG-II framed the Planning Reform Strategy¹²⁸ explicitly against the IMF's PIMA framework, using its pillars and diagnostic questions as a checklist for gaps and sequencing. The PRS maps reforms to PIMA areas such as fiscal targets and rules and multiyear budgeting under "Planning sustainable levels of public investment," and to systematic project appraisal and enabling alternative infrastructure financing (PPPs, private capital) under "Allocating to the right sectors and projects." In practice, this gave SNG-II-supported actions like strengthened appraisal standards, and Smart Monitoring of Development Projects(SMDP) digitisation a clear benchmark and trajectory, linking upstream fiscal discipline to downstream project quality and execution.

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iii. Project Appraisal and Risk Assessment (PARA) Standards: Like KP, PARA Standards were developed by SNG-II in Punjab as well. The motivation not only came from the KP but also from the PIMA assessment done in Punjab. SNG-II, through KPMG's embedded team in P&D Punjab, began with a hard look at how projects were conceived and cleared. They reviewed PC-1s, Provincial Development Working Party(PDWP) minutes, and working papers, and found that financial and economic appraisals were often either superficial or

¹²⁵ Punjab Launches RISE Plan. Dawn News. 28 April 2020

¹²⁶ RISE Punjab, Planning and Development (P&D) Board, Punjab, 2020-2021

¹²⁷ SNG Brief for Secretary P&DB-September 2021

¹²⁸ Planning Reform Strategy, Planning & Development Board, Punjab, 2025

marked “Not Applicable,” with standards applied inconsistently across Planning and Evaluation sections. In response, they designed a structured appraisal toolkit that combined a scoring matrix with a pre-assessment checklist for strategic alignment, format adherence, feasibility, funding clarity, and cost structuring. The toolkit added environmental and climate integration, including emissions screening and risk zoning. PC-1s that fell below threshold scores were sent back for revision, which raised the overall quality bar. Early collaboration with line departments, especially health, produced a redesigned PC-1 that demonstrated the method and helped catalyse wider uptake.

They then moved from tools to systems and people. SNG-II’s embedded consultants worked with health, education, irrigation, agriculture, and urban development to strengthen selected PC-1s, while embedding gender and social inclusion through a revised PC-1 template with mandatory questions and gender-sensitive data use. They replaced copy-pasted risk registers with a tailored risk universe linked to mitigation plans and introduced a climate module with sector-specific screens, baseline emissions, adaptation or mitigation plans, and alignment with Pakistan’s NDCs. To address capacity gaps, they issued guidance notes for every toolkit section, delivered two multi-department trainings, and set a two-year implementation plan with master trainers to institutionalise practices inside P&D.

Data practices and governance instruments were tightened in parallel. The team guided departments on using available population and service data to justify problem statements, targets, and design choices. With the Chief Economist’s office, they helped formalise PC-1 selection criteria based on geography, cost, sector relevance, and strategic priority. About 10 to 11 PC-1s were appraised with the toolkit, feedback was shared in participatory sessions, and documents were revised prior to submission. Enablers such as the planning manual, SMDP portal, ADP guidelines, and PC-1 format were updated to lock in changes.

The Planning and Development (P&D) Board Punjab remained actively engaged throughout the embedded TA and provided consistent feedback at each stage of toolkit development and rollout. The Chief Economist’s office and senior P&D officials reviewed the diagnostic findings, validated sector priorities, and helped refine the appraisal toolkit to ensure that it aligned with provincial planning protocols and the ADP approval workflow. P&D endorsed the integration of strategic alignment, feasibility, and climate-screening parameters within the toolkit, appreciating how these enhanced the objectivity and transparency of PC-1 appraisal.

The Board also facilitated consultations with sector departments to test and refine the toolkit, hosted participatory validation sessions, and suggested operational adjustments such as aligning scoring criteria with ongoing reforms under the Public Financial Management (PFM) Act and Annual Development Programme (ADP) guidelines. Officials in the P&E sections offered detailed feedback on the usability of the templates and supported the introduction of master trainers to lead internal capacity building. This strong engagement from P&D not only lent institutional legitimacy to the work but also helped ensure that the reforms were technically sound and realistically grounded in Punjab’s planning ecosystem.

iv. Digitisation of Project Planning and Funds Release (Smart Monitoring of Development Projects – SMDP Portal): Under SNG-II, the Planning and Development (P&D) Board Punjab received targeted support to digitise its project formulation and monitoring system through the creation of the Smart Monitoring of Development Projects (SMDP) platform. This initiative was implemented by Punjab Information Technology Board (PITB) under Innovation Challenge Fund Round 1. It transformed the traditionally paper-based PC-1 submission and appraisal process into an integrated digital workflow, allowing schemes to be archived, reviewed, and tracked in real time. The SMDP enhanced transparency, data accessibility, and institutional memory, enabling officers to manage voluminous ADP documents without manual bottlenecks. Beyond efficiency, its value in planning lies in providing a centralised digital repository that links project identification, appraisal, and implementation stages - thereby reducing duplication, ensuring consistency with provincial priorities, and generating analytical data for evidence-based decision-making. As noted by the former Secretary P&D, SNG-II's digitisation drive addressed an urgent institutional need and represented one of the programme's most enduring and process-enhancing reforms.

Another core component of the reform was the complete workflow automation of the release orders (including original, supplementary grants, and technical supplementary grants). The time taken for release order processing was reduced drastically from 21 days to as little as 3 days (sometimes even one day), significantly improving time efficiency. A major achievement was the elimination of the manual "audit copy" step in the Finance Department, which saved approximately 14 days in the overall process. The process became system-based, eliminating paper-based advice from P&D and digitizing the internal flow of Finance. It includes audit trails to monitor and pinpoint delays in the workflow and maintains a history of drafts.

The reform also included the development and mandatory implementation of new tagging systems for development projects:

- **Climate Budget Tagging (CBT):** Categorizing the development funds/schemes based on adaptation, mitigation, and supporting climate thematic areas.
- **Marginalization Agenda:** Incorporating a checklist and criteria to track spending related to marginalised communities.

In our meeting with the PITB stakeholders, they credit SNG-II team for providing creative and technical input to shape the reform, especially in the elimination of the paper-based audit copy step. The discussion confirmed that incorporating gender considerations into planning and budgeting is an area of ongoing work, with specific mechanisms introduced as part of the reform. The PC-1 (Project Concept-1) format - the main project document has been made mandatory to include gender-related information. This means that a project proposal cannot be submitted without addressing the gender component. However, there is no information on the Portal about actual breakdown of how project funds were ultimately utilised by gender (e.g., how much of a scheme's budget was used by women vs. men). This suggests:

- The focus is primarily on budget tagging/allocation (input) rather than segregated utilization data (output/impact).

- For most projects, there is a lack of specific criteria and clear methodology to disaggregate data on actual use of funds by gender, particularly in non-social sectors (like economic growth).

The change in making gender inclusion mandatory in PC-1s was initiated by SNG, alongside the Climate Budget Tagging (CBT) and Marginalization Agenda. This makes the tracking of gender-related expenditure a formally embedded requirement in the ADP planning process, even if the subsequent tracking of segregated impact data remains a challenge.

v. Revision of Planning Manual: Upon request from P&D Punjab¹²⁹ (in August 2022) to update Punjab Planning Manual 2015, SNG-II adopted a methodical approach. Instead of directly jumping to the gigantic task, it first developed an Inception Report¹³⁰ to outline its approach, solicit comments¹³¹ from various quarters and the corresponding response¹³² to each comment. Moving forward, the team developed the first draft of revised manual in 14 weeks. It shared comprehensive list of documents¹³³ to be provided by P&D Punjab to further improve the first draft. Subsequently, comments were received from internal Accountability and Inclusivity Advisor¹³⁴, Assistant Chief (Consultancy)¹³⁵, Planning Officer (Appraisal)¹³⁶, and Planning Officer (RP Section)¹³⁷. After different iterations, the final draft¹³⁸ was submitted in December 2023.

vi. Training of Planning Officers: Forty nine¹³⁹ Planning Officers of P&D Board were trained in five cohorts^{140, 141}. While the post assessments conducted by SNG-II reported the trainings to be effective¹⁴², the evaluators conducted a validation survey by reaching out to 45 trainees. The respondents generally found the training valuable, with 81 percent stating that it improved their work performance and 76 percent confirming that they continue to use the

¹²⁹ [Notification for Updating Planning Manual, Planning and Development \(P&D\) Board, Punjab, 25th August 2022](#)

¹³⁰ [Revision Of the Punjab Planning Manual, Inception Report, 6th November, 2022](#)

¹³¹ [Draft Inception Report for Punjab Planning Manual Revision, Planning and Development \(P&D\) Board, Punjab, 5th December 2022](#)

¹³² [Response to comments received from the Planning & Development Board \(P&DB\), Punjab, 8th December 2022](#)

¹³³ [Docs List, Planning and Development \(P&D\) Board, Punjab, 17 April 2023](#)

¹³⁴ [Punjab Manual for Public Investment Management: Proposed Outline](#)

¹³⁵ [Letter: Revision of Planning Manual Punjab, Planning and Development \(P&D\) Board, Punjab, 1st November 2023](#)

¹³⁶ [Letter: Revision of Planning Manual Punjab, Planning Officer \(Monitoring\), Planning and Development \(P&D\) Board, Punjab, 30th October 2023](#)

¹³⁷ [Letter: Revision of Planning Manual Punjab, The Assistant Chief \(Coord-II\), Planning and Development \(P&D\) Board, Punjab, 23rd October 2023](#)

¹³⁸ [Punjab Planning Manual, Planning and Development \(P&D\) Board, Punjab, December 2023](#)

¹³⁹ [Letter: One Week Mandatory Training of Planning Officers of Planning & Development Board, Additional Secretary, Planning and Development \(P&D\) Board, Punjab, 12th December 2023](#)

¹⁴⁰ [Report: Training of the 5th Cohort of Planning and Development \(P&D\) Board Planning Officers 27th October, 2023](#)

¹⁴¹ [Ibid](#)

skills and knowledge acquired. This reflects a strong sense of relevance and retention among participants. However, the training had a more modest impact on building confidence, as only 19 percent strongly agreed and 30 percent agreed that their confidence increased as a result. When it came to applying knowledge in their departments, 73 percent of respondents confirmed doing so, but a notable portion either remained neutral or disagreed, pointing to possible challenges in translating training into practice. Only a small respondents reported actively sharing what they learned, while more than half were neutral on this question. This suggests that sed future capacity building interventions should include short modules on effectiveness of shared-learning or agree with the beneficiary departments beforehand that they would hold internal knowledge-sharing workshops after the trainings.

The participants were more engaged in policy and planning-related topics, with 24% attending Inclusive and Gender-Based Planning and Reviews¹⁴³, and 19% attending Capacity Building (topic not remembered). Other notable topics included PARA Standards and PC-I Consultative Sessions (8% each), reflecting a strategic and institutional planning orientation.

65% of the respondents were male, and 35% were female. This suggests a moderate gender balance.

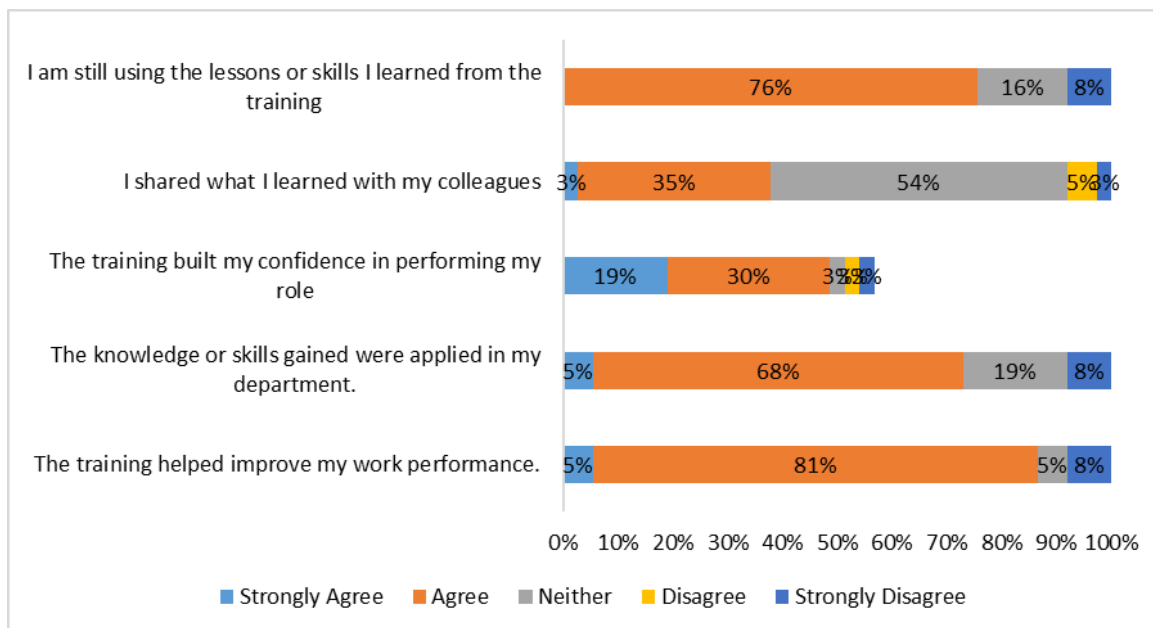


Figure 8: Training Usefulness and Impact in Punjab

¹⁴³ [Inclusive & Gender-based Planning and Review: Training of Planning Officers, 16th October 2023](#)

vii. Climate Finance and Climate Budget Tagging: Advanced climate and environment capabilities through the Climate Finance Unit and climate budget tagging, while surfacing a clear lesson that trainings must be hands-on and embedded to lift capacity in weaker departments.

vii. Gender Budget Tagging: SNG-II advanced gender budget tagging mainly by making planning instruments and routines more gender-responsive, then pushing for institutional anchors to sustain them. Concretely, it introduced gender considerations into planning templates and appraisal practices through an embedded expert who worked with P&D to normalise gender and inclusion in scheme design and review. Senior P&D testimony notes that SNG-II brought a high-profile gender specialist and helped catalyse discussion, but uptake was constrained because the department lacked a formal gender focal unit; establishing such a unit was recommended to institutionalise gender tagging and sustain reforms after donor exit. In short, SNG-II seeded the content and practice changes for gender tagging, and highlighted the institutional fix - a dedicated gender unit - needed to make them stick inside P&D's planning cycle.

A.3.2.b. Key Achievements in Khyber Pakhtunkhwa

i. ToRs of Planning Cells: Planning and Development Department of Khyber Pakhtunkhwa (P&DD KP) once acted as the mother department for social sectors and development. Over time, specialised line departments took shape, and P&D focused more on planning and oversight while departments like Health, Education, Excise, and Home began to manage sizeable development portfolios of their own. To handle PC-1s and related work, each department created a Planning Cell and hired Planning Officers. These cells grew informally. Whenever a new development task surfaced, it defaulted to the Planning Cell. If the Chief Minister called a review, the Chief Planning Officer would represent the department. Repetition turned these ad hoc duties into unwritten rules.

During the Pakistan Tehreek-e-Insaf (PTI) period, government decided to professionalise this function by creating a Provincial Planning Service. In KP, officers from Planning Cells across departments were consolidated into a single service with rotation, promotions, and a clear career path. This was different from other provinces where officers typically stayed within one department. The intent was sound, but a new risk appeared. An officer who had built strong health planning expertise over five years could be transferred to education on non-technical grounds. Valuable sector knowledge was lost and the system tilted toward service-based transfers rather than technical depth. P&D recognised that many experienced officers had retired or moved on, leaving skills gaps inside key Planning Cells.

SNG stepped in at this point with targeted support. First, it helped P&D diagnose the weaknesses in Planning Cells across Health, Education, and other departments. It then designed an induction curriculum for new Provincial Planning Officers to rebuild core skills. Most importantly, SNG did a situation analysis of Planning Cells' working, and - through the formal ToRs - turned their informal workload into formal responsibilities. It documented and standardised the functions of Planning Cells and compiled official Terms of Reference (ToRs) for 21 departments. In short, the work was already happening, but SNG helped the

government capture it, give it clear standards, and embed it in a service structure that can be trained, rotated, and held to account.

As noted by senior P&D officials (current and former), the ToRs for Planning Cells were necessary and useful because they formalised what cells were already doing, gave clear roles and workflows, and were adopted across departments with a common core (about 80–90 percent) plus limited, department-specific additions (about 10–20 percent) to reflect sector needs.

ii. Project Appraisal and Risk Assessment Standards:

The intervention was triggered by the 2023 spike in PC-1 revisions due to macro shocks. The Additional Chief Secretary was receiving frequent requests to revise costs for already approved PC-1s, which highlighted the need for stronger risk assessment. SNG-II brought a team of embedded consultants on board to develop Project Appraisal and Risk Assessment¹⁴⁴ standards, and then used these to modernise appraisal practice within the Planning and Development Department.

The goal was to shift from judgment-based approvals to a structured, risk-aware method that could handle inflation, exchange rate volatility, and other macro risks. From March 2024 to February 2025, a five-member team worked inside P&D, delivering a diagnostic, an Excel-based appraisal toolkit and dashboard hosted in Peshawar, on-the-job implementation support, and five formal trainings for planning and section officers. The toolkit covered financial, economic, social, and environmental analysis with strong risk quantification and practical steps for gender, inclusion, and public participation. SNG-II replaced one-off workshops with embedded hand holding through full ADP cycles.

The diagnostic¹⁴⁵ found a fragmented setup, frequent leadership changes, and no unified approach to selecting and assessing PC-1s. In consultation with the Chief IDS, PC-1s were chosen by relevance, volume, and sector importance. Common weaknesses included thin environmental assessment, weak financial forecasting, and shallow pre-feasibility. Many PC-1s did not quantify key risks. Departments were initially resistant, worried that the embedded support looked like an audit. SNG-II's embedded consultants addressed this by co-working with chiefs and section officers in repeated, informal sessions. Although formal classes averaged about 20 participants, most learning happened on the job, which improved practical use of the toolkit but was not always documented.

A strategic lesson on selection also emerged. While the PARA standards were sound, early effort went to low-impact schemes, such as an internal housing project, rather than high-impact sectors like hydropower, tourism, and minerals. Prioritising complex, high-return PC-1s would have shown the value of risk-based appraisal more clearly and delivered stronger gains. This shift did occur later when the Chief Economist and Chief IDS intervened, and higher-priority schemes were selected for appraisal. Recognising that many quality

¹⁴⁴ [Guidelines/ User Instructions for Project Appraisal & Risk Assessment Toolkit: *Embedded Support for Project Appraisal & Risk Assessment for P&DD, Khyber Pakhtunkhwa, December 2024*](#)

¹⁴⁵ [Diagnostic Review Report: *Embedded Support for Project Appraisal & Risk Assessment for P&DD, Khyber Pakhtunkhwa, August 2024*](#)

problems start downstream, SNG-II involved line departments in appraisal sessions and advocated extending the same support model to them so proposals improve before reaching P&D.

Throughout the course of the engagement, the P&DD's IDS Section remained consistently involved and responsive, demonstrating a strong sense of ownership over the Embedded Support initiative. From the outset, P&DD officials actively reviewed deliverables, provided contextual feedback, and ensured that project activities were aligned with departmental realities. Their comments across multiple meetings reflected both a willingness to collaborate and a careful effort to ensure that recommendations from SNG-II team were practical and sustainable within the government's operational framework. The IDS team regularly facilitated document sharing, coordinated participation in pre-PDWP meetings, and emphasised capacity building of internal staff rather than reliance on external units signifying a commitment to institutional strengthening.

However, the project period was also marked by frequent changes in leadership within the IDS Section, which influenced the pace and direction of engagement. Each new Section Chief provided a distinct steer to the project's course. Ms. Sara Rehman's¹⁴⁶ tenure emphasised integrating the government's context and improving officer capacity, while Mr. Adil Safi¹⁴⁷ focused on refining the appraisal approach, expanding training reach to the district level, and formalising SNG-II's engagement in pre-PDWP processes. Subsequently, under Mr. Ehtisham Ul Haq's¹⁴⁸ leadership, the focus shifted toward system integration, data access, and alignment of appraisal work with departmental information systems such as Planning Commission Forms Management System (PCFMS) and the Resource Centre MIS.

These frequent transitions required the embedded team to repeatedly reorient and brief new leadership, leading to shifts in focus and adjustments in planned activities. Nonetheless, each change also injected fresh energy, perspective, and commitment to institutionalising project appraisal and risk assessment practices. Despite the turnover, the IDS Section's overall engagement remained constructive and supportive, ensuring continuity of collaboration and sustained momentum toward project objectives.

For sustainability, the toolkit was formally adopted, feedback from departments was incorporated, and several PC-1s were revised based on the embedded team's inputs. Above all, the planning officers were trained¹⁴⁹ how to administer the new standards. The assignment aligned with the PFM Act and linked to ongoing Public Expenditure and Financial Accountability (PEFA) and Public Investment Management Assessment (PIMA) assessments with SNG-II and Sustainable Energy and Economic Development (SEED). The team's reviews of ten PC-1s revised their cumulative costs from PKR 93,573 million to at least PKR 39,836

¹⁴⁶ [Meeting Minutes: IDS Section \(P&DD\) & KPMG, P&DD, KP, 14th May 2024](#)

¹⁴⁷ [Meeting Minutes: IDS Section \(P&DD\) & KPMG, P&DD, KP, 8th August 2024](#)

¹⁴⁸ [Meeting Minutes: IDS Section \(P&DD\) & KPMG, P&DD, KP, 1st October 2024](#)

¹⁴⁹ [Training Report on Risk Assessment Framework and Citizen Engagement & Social Accountability: Embedded Support for Project Appraisal & Risk Assessment for P&DD, Khyber Pakhtunkhwa, P&DD, Khyber Pakhtunkhwa, March 2025](#)

million. The embedded model works, but it needs continuity, leadership stability, and wider rollout to line departments to lock in practice.

iii. KP Urban Policy: SNG-II developed the Khyber Pakhtunkhwa Urban Policy (2022–2030)¹⁵⁰ in close consultation with the P&DD KP. The request came from Additional Chief Secretary in the annual Work Plan exercise during a Project Steering Committee meeting. The process was highly collaborative, involving joint drafting sessions, validation workshops, and feedback loops to ensure government ownership. P&D provided strategic direction on aligning the policy with provincial development priorities, spatial planning reforms, and the Sustainable Development Goals, while SNG-II offered technical assistance through diagnostics, city classification, zoning criteria, and the formulation of policy principles and implementation frameworks. The result was a comprehensive provincial policy that integrated land use planning, urban management, livability, and institutional strengthening under one coherent framework, now formally adopted by the Government of Khyber Pakhtunkhwa. SNG - II also supported the development of KP's green housing strategies that align with carbon markets. It also supported creation of 21 city master plans, zoning codes, and energy - efficient building regulations (starting with PDA in Peshawar).

iv. KP Housing Policy: The formulation of the Khyber Pakhtunkhwa (KP) Housing Policy¹⁵¹ was a comprehensive effort to create a clear, legally compliant, and institutionally sound framework for the province's housing sector. A critical achievement of this policy was the resolution of a major conflict of interest regarding sector regulation, which was pointed out in one of the consultation meetings for finalisation of the Policy¹⁵². The policy distinctly separated the roles of the Land Use and Building Control (LU&BC) Council and the KP Housing Authority (KP-PHA). The LU&BC Council was designated as the exclusive regulator for land use, building control, and scheme enforcement, explicitly avoiding involvement in housing provision to remain "unencumbered by any potential conflicts of interest". In contrast, the KP-PHA's role was restricted solely to that of the housing provider, authorised only to "undertake housing projects" for the "low-income and vulnerable groups of society". This institutional restructuring, which built upon the foundation of the prior KP Urban Policy 2023, ensures that quality and compliance are maintained by an independent body while public housing needs are still met by the specialised agency.

The policy's development was characterised by extensive stakeholder engagement¹⁵³ to ensure alignment with existing legal, environmental, and technical mandates. Consultations with the Law Department¹⁵⁴ affirmed that the policy and new rules for private housing schemes must align with the amended Local Government Act and be approved by the newly

¹⁵⁰ [Khyber Pakhtunkhwa Urban Policy \(2022–2030\), Planning & Development Department, Khyber Pakhtunkhwa, 2022](#)

¹⁵¹ [Khyber Pakhtunkhwa Housing Policy \(Draft\), Government of Khyber Pakhtunkhwa, 2nd December 2024](#)

¹⁵² [Notes of Minutes of the Meeting: Finalization of KP Housing Policy, P&D D Kyber Paktunkhwa, 28th August 2024](#)

¹⁵³ [Letter: Submission of Draft Housing Policy, P&D D Kyber Paktunkhwa, 30th June 2024](#)

¹⁵⁴ [Record Note: Consultative meeting to discuss formulation of Khyber Pakhtunkhwa Housing Policy, Compendium of meeting notes from 29th January 2024 to 31st January 2024](#)

empowered LU&BC Council. The Environmental Protection Agency (EPA) confirmed its commitment to its existing statutory role of enforcing IEE/EIA under the EPA Act 2014, ensuring environmental safeguards remain intact without requiring new mandates. Furthermore, feedback from the Communications & Works(C&W) Department and the KP-PHA stressed the importance of simplifying private scheme rules to attract investment while maintaining high, non-negotiable infrastructure quality and protecting consumers against fraud. This consultative process ensured the final draft was both robust in principle and executable in practice, addressing complex issues like regulatory overlap, consumer protection, and financial penalties.

v. Gender: KP lacked gender - disaggregated data for use in planning exercises, for which SNG-II designed a gender disaggregated data collection framework which cuts across women and girls' education, health, economic participation, role in governance and demographic breakdown. SNG - II also introduced a gender budget tagging methodology and tool aligned with OECD and EU methodologies. The methodology tags low, medium and high relevance expenditures for their contribution towards major gender and/or international goals across departmental non - development and development budgets, also covering devolved funds and ensuring cross - departmental collaboration.

vi. Climate: Climate and inclusion lenses were integrated into planning standards through technical input and capacity building activities carried out by the embedded team. Standards now require identifying project impact on women, minorities and vulnerable groups, climate change sensitivity, and disaster risk reduction. A Climate Change Unit was created, and climate markers and budget tagging tools were institutionalised, with early projections estimating up to £57 million in climate finance could be mobilised .

vi. Planning Manual: SNG-II played a central role in helping KP develop its own Planning Manual 2022, working closely with the P&D Department and alongside World Bank support. Until then, the province followed the federal Planning Commission's manual. SNG-II's contribution focused on modernising the planning process rather than changing the PC-I form itself. The team helped define how projects move from idea to approved scheme, who is responsible at each step, what competencies are required, and how approvals and reviews are sequenced. In short, it built the operating system around the form. This was a major update of outdated practices and created a clear, province-owned guide that can be revised over time. Given that planning is not anchored in law, the manual now serves as the key reference that gives structure and authority to the planning function in KP.

vii. Technical Support to Right to Public Services Commission

Significant technical and institutional support was extended to the Khyber Pakhtunkhwa Right to Public Services (RTS) Commission¹⁵⁵ to strengthen its performance management, data systems, and service delivery monitoring. Responding to a request from the RTS Commission Chair, SNG-II facilitated a comprehensive assessment of institutional gaps and

¹⁵⁵ [Final Review Report: The External Evaluation and Capacity Assessment of the KP Right to Public Services Commission.](#)

commissioned the development of a Performance Management System (PeMS) through *Septem Systems Pvt. Ltd.*

SNG-II's contribution included¹⁵⁶:

- Diagnostic Review and Systems Assessment: Identified key operational, structural, and technological gaps hampering RTS effectiveness and accountability.
- Design of a Digital Monitoring Solution: Guided and co-developed the Software Requirements Specification (SRS) for an automated, real-time RTS Performance Management System (PeMS).
- Stakeholder Coordination: Supported extensive consultations between RTS officials, technical teams, and FCDO to align system features with governance priorities.
- Capacity Building and Sustainability Planning: Proposed user training, awareness campaigns, and institutional arrangements for ongoing system maintenance and data-driven decision-making.

Through these interventions, SNG-II helped reposition the RTS Commission from a largely manual, reactive body to one equipped with a modern, data-driven, and citizen-responsive digital platform for service delivery oversight and appeals management.

viii. Standardised Evaluation of District ADP Schemes

The standardised evaluation scorecard¹⁵⁷ developed by the SNG-II programme for the Local Government, Elections and Rural Development Department (LGE&RDD) in Khyber Pakhtunkhwa (KP) addresses the lack of an existing mechanism to assess competing demands for the district's Annual Development Programme (ADP) budget. The core idea is to introduce an objective, evidence-based appraisal mechanism to screen out poor-quality PC-1s and prioritise development schemes - such as Water Supply and Street Pavement schemes - that align with local needs and resources. This mechanism adopts a multi-criteria approach, scoring projects against two core, equally-weighted indicators (50% each): the Social and Environmental Indicator (SEI) and the Economic and Technical Indicator (ETI). Projects are then ranked and selected based on a prioritisation matrix, with high priority given only to those scoring Satisfactory (SS) or higher (above 60%) on *both* the ETI and SEI, thereby moving the LGERD away from ad-hoc decision-making toward strengthening overall planning capabilities and achieving allocative efficiencies.

ix. Effectiveness of Trainings

In KP, 81% of respondents were male and 19% were female. This suggests majority of the trainees were male in KP. the majority of respondents agreed that the training helped improve their work performance, with 76% agreeing and 5% strongly agreeing. Similarly, 81% reported that they continue to use the lessons or skills from the training. Confidence gains were particularly notable, 33% strongly agreed and 52% agreed that the training improved

¹⁵⁶ [Supporting Document for The Khyber Pakhtunkhwa Right to Public Services Final Report](#)

¹⁵⁷ [Support Documents for the Standardised Evaluation Scorecard](#)

their confidence in their roles. However, the application of knowledge in departments was slightly mixed; while 81% (14% strongly agreed and 67% agreed) applied what they learned, 19% remained neutral. Sharing of knowledge showed lower levels, with only 5% strongly agreeing and 57% agreeing; 33% were neutral, indicating potential barriers to peer learning. Overall, KP respondents expressed high confidence and skill retention but showed relatively moderate levels of knowledge diffusion.

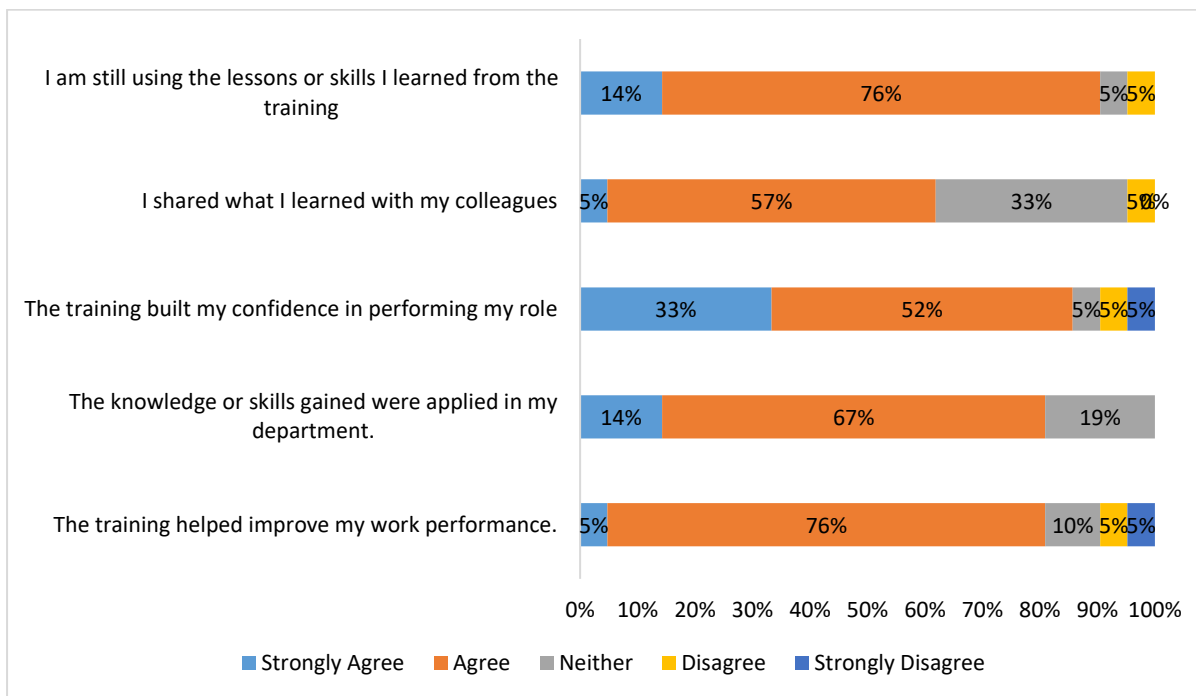


Figure 9: Training Usefulness and Impact in KP

A.3.3. Outputs 1.2 and 1.3 (Budget Making and Execution)

This section examines the achievements of SNG-II in strengthening core Public Financial Management (PFM) functions related to budget making and execution in both Punjab and Khyber Pakhtunkhwa (KP). The analysis centers on how the programme's embedded support helped consolidate foundational PFM reforms, including the passage and implementation of PFM legislation, the establishment of integrated budget routines (such as Medium Term Fiscal Frameworks and Joint Priority Committees), and institutional measures to create fiscal space (e.g., commodity debt fixes and cash management). The evidence demonstrates SNG-II's critical role in turning high-level policy mandates into functional administrative practice, often complementing larger lending programmes like the World Bank's PRIDE by advancing key policy and legal reforms ahead of formal project mobilisation.

A.3.3.a. Key Achievements in Punjab

i. PFM Act 2022 and Downstream Instruments: Punjab enacted a comprehensive PFM law that put multi-year budgeting, fiscal risk disclosure, and clearer roles across the budget

cycle on a statutory footing. The law stitched together earlier piecemeal improvements into one framework and compelled practical follow-ons like an MTF, integrated budgeting routines between Finance and P&D, and the drafting of rules and policies that standardise how plans, budgets, and reports are prepared and scrutinised. Officials describe this as the single biggest shift in predictability and discipline across revenue, expenditure, and audit functions, with the Act now serving as the reference point for subsequent reforms.

Officials credit both SNG-II and the World Bank (through PRIDE programme) with getting the PFM Act over the line and into use. Rule-making under the Act is ongoing by design, with SNG-II contributing policies such as Grant-in-Aid and rules on the placement of departmental funds.

Examples include the COVID-19 revenue impact assessment that counted toward a PRIDE DLI, the fiscal risk framework work, and momentum on the PFM Act. Similarly, the work on tax data integration and Local Government Finance Management Information System (LGFMS) also helped Finance Department in meeting PRIDE DLIs. This handoff-by-necessity explains why officials describe contribution as roughly split between the Bank programme and SNG-II during the first year.

PRIDE's core problem set mirrors the weaknesses surfaced by Punjab's PEFA and then organised in SNG-II's PFM Reform Strategy¹⁵⁸. The Finance Department confirms this chain: PEFA gaps fed the Strategy, and the Strategy's remedies were lifted into PRIDE's design. In short, PRIDE operationalised a roadmap that SNG-II had already structured, which is why the two programmes often appear intertwined in budget systems work.

ii. Joint Priority Committee and Unified Ceilings: A key institutional innovation that enhanced fiscal transparency was the establishment of the Joint Budget Priority Committees (JBPCs). This initiative was built upon the integrated budgeting principles advanced by SNG. Previously, the Finance Department and the P&D Board operated in isolation, leading to duplicated funding requests and a focus on new projects while existing assets decayed. The JBPC forum fundamentally changed this by breaking down the traditional silos between the current/recurrent budget and the development budget.

This integrated approach prevented departments from duplicating funds and enabled more strategic resource allocation. It brought 10 to 12 departments into joint hearings under a single ceiling that combines development and non-development resources. The forum has run for multiple cycles, with about 40 departments presenting in the latest round. This has changed budget behaviour from siloed submissions to negotiated trade-offs, and it has embedded P&D–Finance coordination as a standard step rather than an exceptional one.

A specific example cited was the Punjab Sports Department, which used the JBPC forum to justify reallocating its budget away from new development projects and towards the critical maintenance of its existing facilities a more efficient use of public funds that was difficult to achieve under the old, fragmented system.

¹⁵⁸ [Minutes of the Meeting regarding Public Finance Management Reform Strategy, Finance Department, Government of Punjab, 2nd June 2020](#)

iii. Medium Term Fiscal Framework (MTFF) and Integrated Budgeting: An operational MTFF now anchors the budget cycle: three-year projections are produced inside a staffed PFM Unit (not consultants) and fed directly from PIFRA Analytics – developed through SNG-II pilot - so projections, ceilings, and variance analysis come from government systems. On this base, modern practice issues single ceilings that span current and development spending via the Integrated Budget Call Circular, then runs Joint Budget Priority Committees where departments defend proposals against those ceilings. The IBCC hard-wires PFM Act requirements (MTFF creation and ceiling issuance), while the single-ceiling/JBPC sequence has replaced the old Finance–P&D split with a coordinated process that forces strategic trade-offs instead of parallel bids.

iv. Budget Architecture and Execution Routines: Punjab revised the Annual Budget Statement format, strengthened Budget Call Circulars, upgraded the Citizen Budget, and made budget execution reports part of the in-year management toolkit. Departments now work to a single ceiling, and routine variance analysis guides course correction during the year. The cumulative effect is a clearer line of sight from policy signals in the call circular to published documents and the execution data that follow.

v. Fiscal risk management and the wheat commodity debt fix: Fiscal risk practices were put to work on the long-standing wheat financing overhang. The risk was surfaced formally, taken through cabinet engagement, and addressed through decisions that retired unsecured exposure, renegotiated with banks, limited procurement to strategic reserves, and shifted from general price subsidies to targeted support. Interviewees credit this sequence with eliminating unsecured debt and reducing exposure to the tens of billions by early 2025, creating significant fiscal space that could be redirected to priorities.

vi. Cash management and idle balances: Punjab adopted a policy to sweep idle cash and profits from commercial accounts back to the provincial kitty and to place surplus liquidity in cash-equivalent instruments. Officials report returns in the multi-billion-rupee range within the period cited, with the policy framed to meet public-sector risk constraints and backed by federal guidance on what qualifies as cash equivalents. The change turned dead balances into a recurring source of safe, own-generated fiscal space.

vii. PFM institutions established and resourced: Core units were set up or strengthened inside Finance: a Debt Management Unit (DMU), PPP Risk Management Unit (PRMU), Corporate Finance Unit (CGU), and a PFM Unit charged with running the MTFF and analytics. These bodies consolidated SNG-I's foundations and gave the department permanent homes for debt strategy, PPP risk assessment, corporate transactions, and budget analytics, reducing reliance on ad hoc project teams.

viii. Digital analytics for budgeting: Project to Improve Financial Reporting and Auditing (PIFRA) Analytics and budget dashboards were developed to put line-item execution, variances, and trends at officers' fingertips. Where used intensively, these tools have shortened analysis cycles and improved the evidence base for ceilings and mid-year decisions. Uptake is uneven across departments, which is now the main constraint, not the technology itself.

ix. Gender and climate tagging in the budget cycle: Gender Budget Tagging moved from discussion into practice through a methodology that identifies and classifies spending as high, medium, or low relevance to provincial and federal gender targets, with gender signals also inserted into the Budget Call Circular. Climate Budget Tagging is being operationalised across new cost centres after earlier design work, and a dedicated Climate Finance Unit has helped keep capability in-house. Officials point to the next frontier as a province-wide Gender Fiscal Framework with targets embedded in the MTFF to turn tagging into allocation and results.

x. Rules, TSA, and fund release policies in the pipeline: PFM Rules have been drafted and need final notification and consistent use. A Treasury Single Account policy has been prepared and now requires institutionalisation. Work on fund release practices has progressed toward clearer, more predictable releases, with gradual evolution toward quarterly and performance-aware modalities. These pieces are the locking mechanisms that will keep the gains from the Act, the MTFF, and the JBPC from slipping in future cycles.

A.3.3.b. Key Achievements in KP

i. Strengthening fiscal discipline through law and routines: The passage and early implementation of the Public Financial Management Act, along with the Debt Management Act, a TSA policy¹⁵⁹, and the routine use of Fiscal Risk Statements, put guardrails around KP's budgeting. The interviews show that this did not happen in the abstract. SNG-II helped officials prepare core papers, walk them through cabinet timetables, and normalise the idea that budgets must be anchored in pre-agreed rules rather than last-minute horse-trading. The foundations were set in the PFM Reform Strategy¹⁶⁰ which was operationalised through multiple interactions¹⁶¹, orientations¹⁶², and deliberation sessions¹⁶³.

What changed is that budget work started to recognise risks on the record. Fiscal Risk Statements¹⁶⁴ became part of the Budget Call Circular process, and debt and cash disciplines were no longer treated as add-ons. The legal spine is in place, but second-order work still matters. Rules, manuals, and internal audit functions have to be completed and lived with. Several officials said the Act's obligations are not yet observed at the right times in the year, which is the difference between a law that lives on paper and a habit that changes behaviour.

¹⁵⁹ [Cash Management Policy and Framework 2020, Finance Department, Government of Khyber Pakhtunkhwa August 2020](#)

¹⁶⁰ [Draft Public Financial Reform Strategy 2021-2026, Finance Department, Government of Khyber Pakhtunkhwa, March 2021](#)

¹⁶¹ [Minutes of the Meeting on Review and Finalization of Integrated Budget Estimates FY 2021-22. Finance Department, Government of Khyber Pakhtunkhwa](#)

¹⁶² [SNGII TA to KP Government and Orientation of Draft PFM Law: Presentation to the Finance Secretary 21st December 2021](#)

¹⁶³ [Event Report, Deliberation Session on "Development of a Roadmap for the Implementation of Khyber Pakhtunkhwa PFM Act 2022", 21st December 2022](#)

¹⁶⁴ [Meeting of Minutes: Updated Draft Fiscal Risk Statement and Contingent Liabilities, Finance Department, Government of Khyber Pakhtunkhwa, 9th August 2020](#)

ii. Integrated budget process: KP’s budgeting used to split “current” and “development” into different tracks, which made coherent sector choices hard. The reform story began with restructuring¹⁶⁵ within Finance Department that ended current vs development segregation of staff. Thematic clustering was carried out and each cluster’s deputy secretary would work on both current and development side of the steam assigned to him/her. An Integrated Budget Strategy Committee¹⁶⁶ was notified to bring P&D and Finance together on sector priorities, and the Finance Department’s desks were physically and procedurally restructured so one desk saw the whole of a sector across current, ADP, foreign-funded, and local lines.

The result was a more intelligible conversation about trade-offs within a sector, not just within a line item. Joint Budget Reviews¹⁶⁷, Integrated Budget Rules¹⁶⁸, and a revived Budget Strategy Paper¹⁶⁹ created forums and documents to hold these choices. Officials are candid that meetings sometimes became ritual, and that timing still slips too close to budget day. Even so, removing the current-development divide and giving owners for outputs and KPIs is a real institutional shift that later reforms can build on.

iii. Making performance visible: OBB, dashboards, and Scheme Mapping: Output-based budgeting had existed in name, but ownership and monitoring were weak. SNG-II helped rework Output-Based Budgeting(OBB) so that each output and KPI had a responsible office and a monitoring loop. Alongside this, a Public Sector Efficiency portal mapped more than 800 schemes, and KPI dashboards and scheme trackers made ADP progress easier to see. Some departments, particularly Health Department¹⁷⁰, were targeted for performance reviews.

Visibility changed the conversation. The Chief Minister launched a performance monitoring report, cabinet minutes began to reference performance material, and departments could no longer claim ignorance about slippages.

iv. Inclusive and Business-Facing Budgeting: Pre-budget consultations widened who gets heard. The addition of SMS inputs and larger town-hall style sessions brought women’s groups and other stakeholders into the room. On the revenue side, a Business Advisory

¹⁶⁵ [Notification on Organogram of Finance Department, Finance Department, Government of Khyber Pakhtunkhwa, 15th October 2021](#)

¹⁶⁶ [Order: Budget Priority committee notification and ToRs, Finance Department, Government of Khyber Pakhtunkhwa, 14th April 2021](#)

¹⁶⁷ [Minutes of Meeting regarding Joint Budget Review Session for Finalization of Budget Estimates of FY2024-25, Finance Department, Government of Khyber Pakhtunkhwa, 1st July 2024](#)

¹⁶⁸ [Notification: “Khyber Pakhtunkhwa Integrated Budget Rules, 2024”, Finance Department, Government of Khyber Pakhtunkhwa, 15th October 2024](#)

¹⁶⁹ [Budget Strategy Paper FY 2022-25, Finance Department, Government of Khyber Pakhtunkhwa](#)

¹⁷⁰ [Annual Budget Performance Report 2021-22, Health Department, Government of Kyber Pakhtunkhwa](#)

Committee¹⁷¹, an IT submission portal, and a published book of chamber proposals¹⁷² professionalised how business voices articulate asks at the provincial level.

Officials admit the influence on final allocations has been modest so far, often because consultations were too close to budget day or overshadowed by IMF ceilings and political priorities. Even so, there are visible pick-ups. The budgeted helpline for survivors of gender-based violence came through this channel, and the business proposal book created a durable template that chambers repeat each year. The reform is credible when it starts earlier in the year and when proposals are tied to fiscal space, not just to advocacy.

v. Cash, Debt, and Treasury Modernization: The Debt Management Unit, a Cash Management Cell, and work toward a Single Treasury Account began to reduce leakage and holding costs. A painstaking exercise to identify bank accounts and idle balances led to a debt management fund that earns predictable returns. In parallel, a debt portfolio review cut back weak or misaligned foreign-funded projects rather than adding new liabilities on autopilot.

This is quiet but consequential reform. It turns liquidity into income and cleans up legacy clutter that hides risks. The TSA is not yet fully implemented and the cabinet-calendar disciplines for cash and debt still need to settle. Even so, the new routines have shown they can generate savings and free scarce room in the budget for service delivery.

vi. Gender Budgeting Architecture : A comprehensive gender budget tagging methodology and a working group chaired by Finance put a method to what had been ad-hoc. Tools such as the gender-tagged PC-1 and planning templates gave planners a way to classify and report. A helpline for survivors of gender-based violence that found its way into the budget showed the channel can translate into spend.

vii. Recovering Dues and Prosecuting KP's Case With the Centre: A strand of work focused on revenue and transfers beyond the province's own taxes. The interviews describe systematic case-building on Net Hydel Profit, royalties, and the broader NFC share, including data work, policy briefs, and high-level engagements. Some arrears began to move, and the issues entered formal agendas rather than remaining background grievances.

This is slow, technical labour that pays off over time. The fiscal gains dwarf many line-item reforms if they are secured and kept. The realism is that outcomes depend on federal politics and intergovernmental processes. The achievement is that KP now has a better-documented case and a habit of pursuing it through evidence rather than rhetoric.

viii. Risk financing, Climate and Social Protection Expenditure Tracking: SNG-II developed expenditure tracking for social protection and climate, and advanced disaster risk financing design. These tools help treasuries see where money actually goes across

¹⁷¹ [Minutes Of the Pre-Budget Consultative Meeting Of Business Advisory Committee on Economic and Business-Related Proposals For Upcoming Khyber Pakhtunkhwa's Budget 2023-24, Finance Department, Government of Khyber Pakhtunkhwa, 11th April 2023](#)

¹⁷² [FPCCI Proposals For The Provincial Budget Khyber Pakhtunkhwa 2022-23, The Federation of Pakistan Chambers of Commerce & Industry \(FPCCI KP\)](#)

classifications and make it easier to defend allocations that manage shocks. They also set up the habit of tagging and reporting in a way that external partners and auditors can follow.

The technical groundwork is largely done, but use is uneven. To stick, these trackers must be pulled into the budget calendar, cited in the Budget Strategy Paper, and referenced in cabinet notes when emergencies or social programmes are funded. Once that happens, tagging stops being a reporting chore and becomes the evidentiary spine for decisions.

A.3.4. Output 2 (Institutional Delivery Capacity on Social Protection, etc.)

This section analyses SNG-II's contributions to enhancing Institutional Delivery Capacity on Social Protection across Punjab and Khyber Pakhtunkhwa (KP), showcasing how the programme helped provincial governments move from policy intent to operational systems. The focus is on achievements in building the "software" of social protection, including the creation of provincial policy and strategy frameworks, the development of new data instruments (such as the Provincial Socio-Economic Registry (PSER) in Punjab and the Social Protection Expenditure Tracking System (SPETS) in KP), and the design of implementable schemes (e.g., Ba-Himmat Buzurg). This analysis demonstrates the programme's success in leveraging technical assistance to ensure that social protection services are rules-based, data-verified, and resilient enough to function effectively during and after major external shocks.

A.3.4.a. Key Achievements in Punjab

i. RISE and coherence: A playbook for shocks

During COVID-19, SNG's work on the RISE framework, with active Punjab Social Protection Authority(PSPA) input, clarified who does what before and during shocks and emphasised preparedness in peacetime. For social protection, this anchored PSER's logic, put targeting and delivery on a crisis footing without improvisation, and encouraged departments to plan together rather than in silos.

ii. Ba-Himmat Buzurg Scheme

PSPA owned the funding and day-to-day delivery, while SNG turned early programme contours into a complete, readable operating system. That meant benefit-adequacy analysis to frame the transfer size debate, clear eligibility rules, and an integrated set of SOPs, process flows, and manuals that moved delivery from ad hoc decisions to consistent routines. The result was Pakistan's first province-financed social pension targeted to elderly poor women, with a documentation trail strong enough to brief boards, train staff, and support later design adjustments when the NSER refresh created enrolment challenges.

iii. Women's Income Growth and Self-Reliance(WINGS) to Punjab Human Capital Investment Project(PHCIP): A scaled pivot, not a dead end

SNG supported the design and approvals journey for WINGS, an asset-transfer concept aimed at poor married women. COVID-19 fiscal shifts stopped that programme from maturing under its original funding, but the core idea did not die. It was picked up, adapted,

and scaled through the World Bank's Punjab Human Capital Investment Project. The learning and design groundwork carried forward, showing that good concepts can survive funding shocks if the paperwork, rules, and rationale are strong.

iv. Nai Zindagi Scheme

PSPA's idea to serve acid-violence survivors became implementable once SNG helped translate intent into practice. The support package documented referral pathways, case management, and financing rules for reconstructive, cosmetic, and psychological services through boards at public burn units. With workflows, SOPs, and checklists in place, the programme turned a one-time hospital discharge into a continuum of care, improving functional recovery and dignity for women and transgender survivors who previously had no access to these services.

v. PSER: From RISE concept to a living provincial registry

SNG contributed to the early framing of a Provincial Socio-Economic Registry in RISE, then supported PSPA with conceptual hand-holding, governance inputs, and the practice of cross-validating new records against administrative datasets. As the registry matured, it supported seasonal assistance and began integrating additional signals such as property transactions and water dues to flag high-asset households. The reform narrative here is one of institutional learning: start with a provincial need, convene a core group, stitch in the datasets that exist, and keep iterating.

SNG II espoused this idea in its RISE Strategy 2020, developed in response to the COVID-19 crisis. SNG later developed a concept paper on demand-based enrolments in the NSER which specified the mechanisms to receive applications for registration and subsequent surveys/data updates for building a provincial registry. During the 2024-25, SNG extended support to the first phase for the construction of PSER by participating in the Core Working Group, giving input to the PSER design, survey questionnaire and process flow of the PSER. The registration process has so far attracted 8.9 million families, 3 million of which were found eligible for Ramzan package of 2025 with a PMT score of up to 50. SNG's representation in Core Working Group notified by the P&DD Punjab further validates the value it has been bringing to the PSER exercise.

vi. Data-Sharing Protocol

Working with counterparts across tiers, SNG helped broker a data-sharing understanding that lets federal systems refresh with Punjab data without running new surveys, while opening the path for similar provincial exchanges. This is a quiet but structural achievement: it reduces duplication, speeds up eligibility checks, and brings provincial and federal pictures of poverty closer together.

vii. Social Protection Policy and the first Strategy: A five-year roadmap

SNG partnered with PSPA to refresh the policy and draft the first Social Protection Strategy, turning dispersed intentions into a single, five-year roadmap. The process mattered as much as the paper: joint drafting with PSPA teams, alignment with line departments for

consultation, and a layout that links vision, instruments, and sequencing. In a system where leadership and politics change, having a coherent, written direction helps programmes survive staff turnover and provides a common reference for approvals and ADP listing.

viii. M&E Manual and scheme documentation: From people-memory to process

PSPA was stretched on documentation, so SNG produced an M&E manual and standardised design artefacts that captured how schemes are supposed to work. That shift from personality-based knowledge to documented process let PSPA originate its own ADP schemes more confidently, brief new staff quickly, and monitor performance in a more consistent, comparable way. The real contribution of this support is the bringing together of all social protection initiatives including those delivered by other departments. This helped make a comprehensive picture of all SP sector spend and bring coherence to SP delivery in the province.

ix. Spatial Vulnerability Index

Although housed on the planning side and a new initiative, the SVI is poised to become a companion instrument for social protection by highlighting district-level service gaps in health, education, infrastructure, and risk. When combined with PSER, it strengthens the case for aligning caseloads with budgetary allocations so that programmes reach both the right people and the right places. SNG's Social Protection Advisor has been active member of the working group engaged by P&DD Punjab to build Punjab's SVI.

A.3.4.b. Key Achievements in KP

i. Contribution to the 2022 Social Protection Policy

The programme's social protection advisor directly supported the drafting and presentation of KP's first Social Protection Policy 2022¹⁷³, which was discussed and cleared through the Project Steering Committee in 2021 and formally notified in 2022. The minutes of PSC meeting¹⁷⁴ held in KP's Public Policy and Social Protection Reform Unit in August 2021 explicitly list the "Advisor Social Protection SNG-II" among the presenting and responding participants, confirming the programme's technical role in shaping the policy's institutional pathway and expenditure tracking agenda.

ii. Strategy Finalisation as a Living Framework

¹⁷³ [Khyber Pakhtunkhwa Social Protection Policy 2022, Public Policy & Social Protection, Reforms Unit \(PP&SPRU\), Sustainable Development Unit \(SDU\), Planning and Development Department \(P&DD\), Government of Khyber Pakhtunkhwa](#)

¹⁷⁴ [8th SP Steering Committee Meeting Minutes, Public Policy & Social Protection, Reforms Unit \(PP&SPRU\), Sustainable Development Unit \(SDU\), Planning and Development Department \(P&DD\), Government of Khyber Pakhtunkhwa, 3rd February 2025](#)

Building on the 2022 policy, the programme helped finalise a living Social Protection Strategy 2024¹⁷⁵ that aligns departmental roles with Planning and Finance cycles. The strategy is positioned for iterative updates so departments can use it to guide budgeting, programme selection, and monitoring rather than treating it as a one-off paper.

iii. Clarifying Institutional Architecture

SNG-II's work clarified the relationship between the permanent SP and Gender Mainstreaming section in P&D and the project-based PP-SPRU. Options were developed to anchor roles in the Rules of Business¹⁷⁶ so ownership sits with routine government systems. This reduces overlap, clarifies accountability, and prepares the ground for smoother implementation.

iv. Blueprint for a KP Social Protection Authority

A practical blueprint was produced for establishing a provincial Social Protection Authority suited to KP's context. It outlines mandate, governance, staffing transitions from PP-SPRU, and the continuing secretariat role of the SP and Gender Mainstreaming section in P&D. This gives government a credible route to unify policy, financing, data, and oversight.

v. Social Protection Expenditure Tracking (SPETS)

The programme designed and handed over SPETS to track allocations and spending across major pillars and sectors. Paired with tagging guidance and training, SPETS gives planners a shared baseline for prioritising funds, comparing trends over time, and preparing stronger briefs for cabinet and partner discussions.

vi. Public Expenditure Review and Dashboards

A consolidated, code-level view of social protection spending was developed with Finance. The analysis and dashboarding shortened future diagnostic cycles and created a factual platform for decisions on programme mix, fiscal space, and the shift from fragmented schemes to coordinated portfolios.

vii. Digital Payment Mechanism for Cash Assistance

A unified, digital payment design was advanced for routine and shock-response transfers. Drawing on tested disaster-payment workflows, the model reduces leakage and beneficiary transaction costs and can scale across schemes in Social Welfare, Zakat, labour, and other departments.

¹⁷⁵ [Khyber Pakhtunkhwa Social Protection Strategy 2024, Planning and Development Department \(P&DD\), Government of Khyber Pakhtunkhwa](#)

¹⁷⁶ [Draft Working Paper "Incorporating Social Protection into Khyber Pakhtunkhwa Government Rules of Business 1985", February 2025](#)

viii. Gender Budget Tagging and Handover to SPGM-IS

Gender Budget Tagging with Finance produced an operational method to quantify spending that benefits vulnerable groups. The approach is prepared for handover to the SP and Gender Mainstreaming section's MIS so regular reporting and planning can use consistent evidence on gender and vulnerability.

ix. Strengthening Appraisal with Gender, Climate and Social Protection Markers

Enhanced gender markers and proposals for climate and disaster risk checks were introduced in pre-PDWP practice. Officers were supported to treat these screens as part of routine appraisal, with a forward plan to embed them in standard PC-I templates once federal approvals are secured. Similarly, Social Protection and Poverty Reduction Markers (SP&PRM)¹⁷⁷ were approved to guide the alignment of all development schemes (irrespective of a sector), proposed for and included in the Annual Development Program, with the principles of Social Protection & Poverty Reduction (SP&PR).

x. Integrated MIS and Beneficiary Registry Foundations

Programme support accelerated programme mapping, departmental MIS build-out, and the design of an integrated beneficiary registry with data governance steps and sharing protocols. This foundation reduces duplication, improves verification, and enables future triangulation with federal registries.

xi. Net Effect on Social Protection Stream Despite a One-Year Suspension

Even with almost a year of suspension, the revived workstream in 2024 left KP with a notified policy lineage, a practical strategy, functioning tracking and review tools, a pathway to a provincial authority, and concrete designs for digital payments and integrated data. The cumulative effect is shorter distance from policy to delivery and a stronger platform for scaling programmes that protect vulnerable households.

xii. Disaster Risk Financing Strategy

SNG was part of the technical committee¹⁷⁸ that worked on developing Disaster Risk Financing Strategy (2024-34)¹⁷⁹ for KP which aims to strengthen Khyber Pakhtunkhwa's capacity to access timely and cost-effective funding for disaster response. It focuses on improving public financial management, promoting insurance and risk-transfer systems, and enhancing data-driven resilience against fiscal, economic, and social impacts of disasters.

¹⁷⁷ [Social Protection and Poverty Reduction Markers Notification and Report](#)

¹⁷⁸ [Constitution of Technical Committee for Development of DRFS, Finance Department, Government of Khyber Pakhtunkhwa, 26th June 2024](#)

¹⁷⁹ [Disaster Risk Financing Strategy, Government of Khyber Pakhtunkhwa 2024-2034](#)

A.3.5. Output 3 (Fiscal Space)

This section details SNG-II's achievements under Output 3: Fiscal Space, which focused on shifting the provincial government from crisis management to disciplined, rule-based financial planning to ensure long-term sustainability. The programme pursued a dual agenda: strengthening own-source revenue (OSR) through legal overhaul, digital enforcement, and tax base modernisation, and enhancing expenditure efficiency by tackling major liabilities and fiscal risks. The flagship outcomes include the pivotal adoption of contributory pension reform to convert an unfunded liability into a funded, tracked obligation, and high-yield decisions such as the correction of commodity-debt carry and the implementation of idle-cash management - all of which collectively freed up significant fiscal space for core service delivery. The implementation of the Public Financial Management Act and Debt Management Act provided the necessary legal guardrails, while the routine use of Fiscal Risk Statements ensured that budget work started to recognise and plan for risks on the record.

A.3.5.a. Key Achievements in Punjab

i. Own-source revenue: policy, law, systems, and enforcement

Punjab moved from ad hoc measures to a cabinet-anchored reform track. Two umbrella instruments were used to concentrate effort and legitimacy: a Revenue Mobilisation Strategy on the tax side and a Pension Reform Plan¹⁸⁰ on the liabilities side. These were not shelf documents. They created the mandate for standing committees, agenda-setting, and consistent follow-through even when personalities and priorities changed. That anchoring proved decisive for politically sensitive changes such as the conversion to a negative-list approach for services taxation, for statutory overhaul of Punjab Revenue Authority's (PRA) legal framework, and contributory pension scheme. The momentum finally culminated into constitution of Fiscal Discipline Committee¹⁸¹.

On the Punjab Revenue Authority front, three shifts stand out. First, the statute itself was redrafted around simplification, taxpayer due process, and clearer appeal architecture. The new design cures long-standing defects that had produced adverse writ outcomes and technical annulments, and it prepares the ground for harmonised negative-list adoption so that new services enter the net by default rather than through years of definitional litigation. Second, digital services and cross-border e-commerce were brought into routine collection by designating commercial banks as collecting agents once State Bank concerns were managed. Collections since November 2024 are reported at roughly PKR 3.1 billion, a concrete gain that also normalises a channel for future growth areas. Third, PRA's automation matured from individual modules to an end-to-end platform. A risk-based audit manual was produced, parameters were designed, officers were trained, and auto-selection is being embedded so that case selection moves from intuition to data.

¹⁸⁰ [Making Pensions Fiscally Sustainable Reform Options for Punjab, November 2021](#)

¹⁸¹ [Notification regarding to Fiscal Discipline Committee, Finance Department, Government of the Punjab, February 13, 2025](#)

Harmonisation across jurisdictions advanced in parallel. Punjab aligned to the Single Sales Tax Return in selected sectors under a federal lead and participated in negative-list convergence with other provinces. While these are process achievements rather than headline revenues, they lower compliance frictions that depress the base and they reduce forum shopping that undermines administration.

Data integration work opened previously locked doors. Initial transfers and one-off shares with agencies such as Excise and the Punjab Food Authority broke a cultural barrier and produced prototype dashboards, even if full API-based, real-time exchange remains incomplete due to upstream digitisation gaps and the absence of common identifiers in legacy datasets. The lesson that emerged is still an achievement of method: once the finance anchor convenes, other custodians begin to cooperate, and the conversation moves from whether to share to how to clean and connect.

The Highway-Abutting Properties Tax created a new base to capture commercialisation rents along highways, and although collections have not reached the early PKR 2.5 billion potential, the legal concept and application workflows now exist and can be revived with stronger implementation discipline. The ANPR roadside tool added three missing workflows in one place on a handset: on-the-spot e-payment through Payment System Identifier(PSIDs), tamper-proof document retention, and impounding with traceability. Uptake lagged due to user resistance and speed issues, but the underlying modules can be folded into faster legacy queries so that the compliance logic is not lost.

In Punjab, respondents reported high awareness of increases in key local taxes (Figure 10). Specifically, 78% of respondents indicated that they were aware the Water Supply Tax had increased, followed by 68% for Sewerage Fees and 65% for Sign Board/Billboard Fees. However, awareness of increases in other tax heads was much lower - only 8% of respondents mentioned Slaughterhouse Fees, 5% noted Parking Stand Fees, and just 3% were aware of an increase in Property Tax. These figures reflect varying levels of public knowledge about recent tax changes, with the highest awareness centred around utility and signage-related charges.

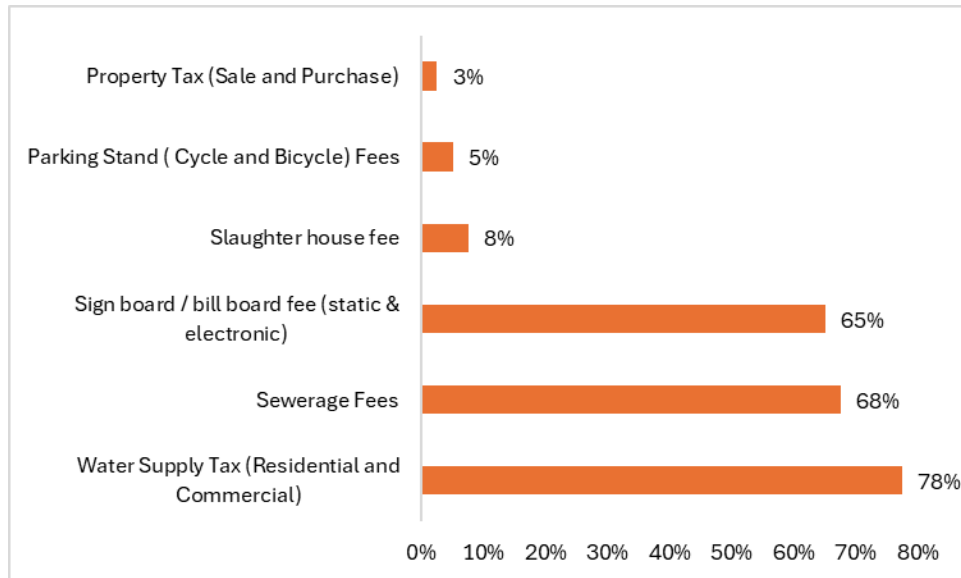


Figure 10: Awareness About Taxes/Fees increased in Punjab

ii. Expenditure efficiency and fiscal risk management

On the expenditure and liabilities side, Punjab delivered a run of decisions that tightened rules, lowered carry cost, and created a more credible long-term path. Passage of the PFM Act is the legal milestone, but the more important achievement (with collaboration of WB-PRIDE) is institutional: the PFM Unit in Finance became the operating home for rules, manuals, and day-to-day policies that turn the Act into routines. That continuity, combined with cabinet-level stewardship and committee structures, kept reforms moving when leadership turned over.

Contributory pension¹⁸² reform is the flagship liability decision. The technical drafting was driven through SNG-II support and then validated and owned by the PFM Unit, which gave leadership the comfort to approve. The reform survived transitions from PTI to caretaker to PML-N, which is rare and significant. The achievement is not only the policy choice itself but also the readiness work that followed: rules and legal amendments, a clear recognition of the operational steps that now matter most, and a practical agenda to open accounts on time, fund contributions monthly in lock-step with payroll, and coordinate with the Accountant General office and hiring departments. The narrative goes beyond administration to market building. By design, the scheme brings in professional fund managers, custodians, insurers and auditors.

In a contributory pension system, the government and employees pay money into real investment funds each month. Those funds hold long-term assets such as government bonds, corporate bonds, and high-quality equities. Regular contributions over many years create a steady pool of long-duration savings that financial institutions can invest in projects with long paybacks, like infrastructure or corporate expansion. This steady demand lowers

¹⁸² [Compendium of Documents related to Punjab Pension Reform from 5th December 2022 to 26th March 2025](#)

financing costs and helps deepen capital markets by increasing the volume and variety of tradable instruments.

At the same time, future pension obligations stop being vague promises that depend on future budgets. They become “priced” liabilities that are funded upfront and accounted for transparently. Professional fund managers invest the assets, independent custodians hold them, auditors review them, and regulators oversee disclosure and risk. This governance framework replaces opaque, unfunded commitments with assets that are tracked, valued, and reported, which reduces fiscal risk and improves credibility with employees, investors, and rating agencies.

The commodity-debt and idle-balance correction is a second, high-yield decision for expenditure efficiency. For years, hundreds of billions sat idle at the State Bank earning nothing while government simultaneously paid 18 to 22 percent on commodity financing. During the recent cycle the province acted to unwind this anomaly. The caretaker administration took the first decisive step, and the incoming cabinet continued the policy. The fiscal gain is immediate and mechanical: fewer interest days financed at double-digit rates and better cash positioning against payables. The institutional gain is equally important: a finance team that demonstrated neutrality across political cycles was able to keep a technically sound correction in place, which builds confidence for future cash and debt management improvements.

A.3.5.b. Key Achievements in Khyber Pakhtunkhwa

i. Own Source Revenue

The hallmark of reform journey has been naming the core problem in the old UIPT regime¹⁸³: an ambiguous, flat-rate, rental-value logic that missed real market growth and left vacant plots untaxed. A Transition Plan¹⁸⁴ laid out a neutral rate path and a credible revenue envelope, which helped the Task Force¹⁸⁵ endorse capital value as the new base, approve an independent Valuation Cell, and move a new law forward. The early strategy focused on horizontal expansion so more districts and previously untaxed plots entered the net without raising rates. Targeted experiments such as GIS property mapping exposed under-measurement and produced a replicable workflow that was folded into the plan, then into institutional decisions and drafting instructions, avoiding a patchwork of fixes.

On the services side, Khyber Pakhtunkhwa Revenue Authority(KPRA) strengthened its legal footing with a standalone act (Sales Tax on Services Act, 2022) and regulations that created a practical collection-agent model with banks for foreign digital services. SNG-II supported

¹⁸³ [Transitioning from the Rental Valuation to Capital Valuation Of The Urban Immovable Properties: Options Paper](#)

¹⁸⁴ [The Case for a Capital Value-Based UIPT in KP, Government of Khyber Pakhtunkhwa, Jan 04, 2025](#)

¹⁸⁵ [Notification of the task force for UIPT reforms, Excise, Taxation and Narcotics Control Department, Govt. of Khyber Pakhtunkhwa 28th December 2022](#)

a consultative session¹⁸⁶ on the Act in 2024. In 2025, KPRA held a session on its own. Work on merchant coding classification is improving transaction classification, while a risk-based audit path is set to replace volume-driven checks. Capability was treated as a compliance lever: a master-trainer programme¹⁸⁷ (backed by comprehensive manual¹⁸⁸) was complemented through amended service rules of KPRA that link promotions with on-the-job trainings, so skills now reproduce inside the authority without external funding.

The restaurant invoicing pilot provided clear lessons. Tablets provided by KPRA struggled under peak loads. Rather than scale a weak design, the province mandated integration in law, added penalties for non-use, and required businesses to procure suitable hardware. KPRA then expanded its own web-based system to more establishments on a more stable footing.

Within Excise and Taxation, support to legal drafts for UIPT¹⁸⁹ and motor taxation, digital billing solutions¹⁹⁰ for motor vehicle and property tax payments, and GIS mapping showed the demand for digital payments and informed subsequent platform choices as systems matured.

The Figure 11 shows the percentage of respondents in KP who were aware of increases in various taxes/fees. About 42% of respondents reported knowing that fees for certificates (e.g., birth, death, marriage) had increased, followed by 39% who were aware of higher charges for ownership certificates. One-third of respondents (33%) knew about increases in fees for fruit/vegetable mandis and Tehsil *bazari* schedules. Awareness of increases in sign board fees (24%), water rates (21%), bus stand charges (15%), and new water rate fees (12%) was lower. This indicates varying levels of awareness among citizens regarding changes in local taxes.

¹⁸⁶ [Consultative Session On The Subordinate Legislation Under The Sales Tax On Services Act 2022 Report, 27th March 2024](#)

¹⁸⁷ [Proposed Master Trainer Program: Based on Training Needs Assessment \(TNA\)](#)

¹⁸⁸ [KPRA Training Curriculum: Structured KPRA Master Training Curriculum on Taxation, Compliance, and Revenue Management](#)

¹⁸⁹ [New Proposed UIPT Act 1958 Drafts](#)

¹⁹⁰ [ICF and POF Pilots for KP](#)

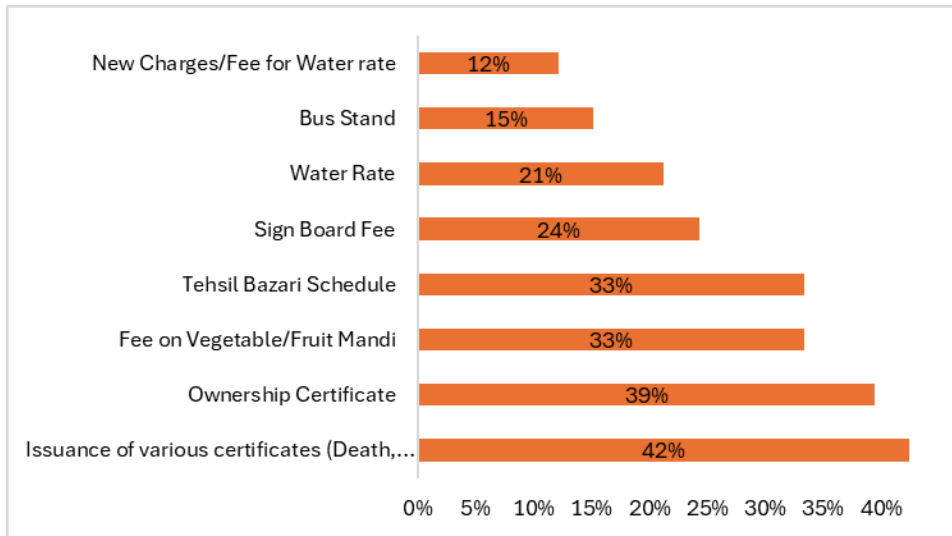


Figure 11: Awareness About Taxes/Fees Increased in KP

Preferred Future Payment Channel: In KP, the vast majority (82%) of respondents prefer to make future payments through their local TMA office, reflecting comfort with in-person, familiar channels. Only 12% prefer banks and 6% mention authorised agents, while none opted for mobile wallets. In contrast, respondents in Punjab strongly favour bank payments (93%), with a small proportion (8%) open to using mobile wallets. No one preferred TMA offices or agents, indicating a more digital or formal preference in the province.

ii. Expenditure efficiency

The Finance Department embedded a fiscal-risk cycle and began publishing a Fiscal Risk Statement under the PFM framework¹⁹¹ so pensions, PPP exposures, debt, public enterprise flows, macro assumptions and disaster risks are reviewed on a standard timetable. This created an annual mechanism to adjust policy before pressures turn into cash problems. Public enterprise oversight moved to a live portal that standardises financial and governance information across a large portfolio and anchors usage at senior level, which shortens the path from data to action on grants, covenants and reform sequencing. A structured budget rationalisation then converted analysis into cash space, with savings from textbook re-use, direct wheat procurement, subsidy recalibration, restrained vehicle and asset purchases, operating trims across departments, measured adjustments to selected grants and tighter support to service utilities. These are concrete line-item decisions rather than generic austerity.

Taken together, a published risk routine, operational oversight of enterprises and repeatable savings measures are shifting the province from episodic cuts to predictable controls. The result is steadier in-year execution, fewer ad hoc releases and more reliable fiscal room for services without building arrears.

¹⁹¹ [Fiscal Risk Framework Khyber Pakhtunkhwa](#)

A.3.6. Output 4 (Local Governance) and Output 1.4 (Citizen Engagement)

This section analyses the achievements of SNG-II under Output 4: Local Governance, where the programme focused on strengthening sub-national governance and fiscal sustainability in both Punjab and Khyber Pakhtunkhwa (KP). The interventions moved beyond traditional sector-specific support to address the "plumbing of governance," concentrating on three crucial areas: digitizing financial systems (e.g., operationalizing the LGFMIS in Punjab and CFMS in KP), modernizing Own-Source Revenue (OSR) to break decades of stagnation through legal and digital reforms (e.g., TTIP automation in Punjab, tax schedule revisions in both Punjab and KP), and linking these fiscal gains directly to visible service delivery through end-to-end pilots like the Solid Waste Management (SWM) models. Collectively, these efforts sought to formalise local government functions, enhance financial predictability, and embed citizen accountability across sub-provincial tiers.

A.3.6.a. Key Achievements in Punjab

i. Governance and OSR

The reform journey of Punjab's local governance architecture was shaped not just by the field-level pilots but by the systemic enablers created at the provincial center. Perhaps the most transformative step at the center was the launch and operationalization of the Local Government Financial Management Information System (LGFMIS), a comprehensive financial management platform that brought Punjab's local governments into the digital age. In 2021 The Reform Working Group began positioning LGFMIS as a way to bring local bodies "on system," improve financial visibility, and standardise basic controls. The minutes record an early push to align local accounting routines with provincial practices and to plan a staged rollout led by Local Government and Community Development Department (LG&CDD) with technical support from SNG-II.

Under the leadership of the LG&CDD and with direct engagement from SNG's technical team, a Donor Coordination Mechanism was instituted in 2024 to rationalise roles and ensure complementarity amongst different stakeholders to operationalise LGFMIS. PMDFC assumed the responsibility for the rollout and operational support, while SNG focused on the "brains" of the system.

By early 2024, the Departmental Reform Working Group was using the forum to track LGFMIS preparation tasks, assign responsibilities, and sequence actions. The focus was on getting a practical, government-owned route to implementation, with SNG-II providing drafting, follow-up, and coordination across LG&CDD and finance counterparts so the system could move from concept to operational planning.

A dedicated note set out the plan to integrate LGFMIS with the provincial SAP/IFMIS environment so that local transactions and data could feed into the province's financial backbone. This framed integration as the way to streamline processes, improve accuracy, and enable oversight. At the 14th PSC, the chair explicitly raised the strategic choice: extend SAP down to local governments or integrate LGFMIS with SAP. The record shows that while extension of SAP was acknowledged as the stronger approach in principle, LG&CD opted to

proceed with integration of LGFMIS into SAP/IFMIS. That clarified direction and unlocked follow-on work.

Another breakthrough reform was the automation of the Tax on Transfer of Immoveable Property (TTIP) - a crucial revenue source that was previously collected manually by local government staff in registration branches. With SNG-II's technical assistance, the LG&CDD collaborated with the Bank of Punjab, PITB, and the Board of Revenue (BOR)/Punjab Land Records Authority (PLRA) to digitise the process. The reformed system now routes TTIP collections directly into local government accounts, cutting out manual handling and the opportunities for leakage that came with it. This change not only ensured transparent accounting and faster reconciliation but also improved cash flow predictability for municipal budgets. Early reports from LG&CDD indicate a 30–40 percent increase in own-source revenue following this reform, attributable largely to the integrity and efficiency of the new electronic payment channel.

There were significant increases in the revenue of Rahim Yar Khan where multiple engagements were carried out. Major increase was in the conversion fee head, which was driven by a property survey done with the help of Punjab Municipal Development Fund Company (PMDFC). SNG-II's research on Strengthening Municipal Revenues¹⁹² advocate "end-to-end" reform approach, that involves GIS surveys and the Deliverology-inspired roadmap. The research further demonstrates significant untapped revenue potential in areas like building plan approvals and commercial rents. Key recommendations focus on adopting this roadmap, mandating periodic GIS surveys, strengthening legal frameworks, and aligning provincial transfers with OSR performance to enhance financial autonomy and accountability.

At the policy level, SNG-II's accountability and inclusion workstream helped institutionalise citizen participation and gender/social inclusion across the planning process. The Citizen Engagement Guidelines developed under the programme were formally adopted by the LGD and are now supported by training modules at the Punjab Local Government Academy. These provide practical instructions for holding public consultations, integrating citizen feedback into annual budgets, and documenting participatory processes for audit and reporting purposes. These guidelines became a flagship deliverable, promoting structured citizen consultations in planning, budgeting, and service delivery at the municipal level. They have since been applied in several pilot MCs (e.g., Kasur, Rahim Yar Khan, Sialkot).

At the beginning of programme, SNG-II assisted LG&CDD in designing and reviewing the PC-II proposal for capacity building of local governments. The programme's role included developing concept notes, training plans, and identifying core thematic areas (planning, finance, regulation, and citizen engagement) to be institutionalised through the Local Government Academy and other departmental structures. Drafting and consultation on LG Work Rules were supported by SNG-II. Technical inputs were provided to align the rules with the 2019 Local Government Act, focusing on clarifying administrative, planning, and fiscal

¹⁹² [Policy Brief: Strengthening Municipal Revenues, Recommendations for Own Source Revenue Reforms – Punjab, AUGUST 2025](#)

functions between provincial and local tiers. SNG-II also offered policy advice on sequencing the rules' approval through the departmental vetting process.

Consultants engaged under SNG-II prepared the LG Planning Guidelines and Local Planning Manual. These were discussed and refined jointly with the Planning & Development Department to align local development planning with provincial ADP processes. The manuals emphasised participatory planning, risk screening, and integration of gender and climate perspectives.

LG&CDD officials appreciated SNG's support as distinct from conventional donor assistance, noting that it deliberately avoided traditional sectors such as health and education. Instead, it focused on the "plumbing of governance" - revenue systems, fiscal management, planning processes, and citizen accountability - areas often overlooked but essential for sustainable service delivery and institutional strengthening.

ii. Service Delivery

Service delivery reforms crystallised around the Kasur solid-waste-management (SWM) pilot and the systematization of Citizen Engagement Guidelines. In Mustafabad (Kasur), SNG helped design and launch an end-to-end SWM model operated by a private contractor with user fees intended to cover operating costs - an approach later echoed in the province-wide Suthra Punjab rollout and, per LG&CDD, complemented by a modest "cleanliness tax" to anchor cost recovery. On the ground, the pilot professionalised routing, basic sorting/recovery, and neighbourhood outreach, showing that cleaner streets are achievable when billing, operations, and oversight are tied together; however, MC officials and FGD participants flagged the pilot operated in a relatively well-off neighbourhood, limiting external validity. Respondents argued the real test (and value) would come from proving the model in lower-income or remote settings with weaker willingness-to-pay and tougher operating conditions.

A.3.5.b. Key Achievements in KP

i. OSR modernization across TMAs: SNG-II turned a fiscal shock into a reform window. When mutation fee revenues collapsed, the programme moved quickly with model schedules, side-by-side comparators, and careful local council engagement so TMAs could revise fees without political ambush. That is how Shangla jumped from a handful of revenue heads to a full schedule, Haripur lifted its water rate from Rs.100 to Rs.300 as willingness to pay improved, and Swat's Babuzai and Bahrain legalised door-to-door solid waste fees while calibrating hotel, school, and trade license rates. Dir broke a long freeze dating back to 2012, and Swabi revised its tax schedule after more than two decades.

What made this stick was attention to politics and cashflow. Rates were adjusted by payer type, seasonal pricing in tourist belts aligned payments to earnings, and public notice windows were used to withstand challenge. The result is a measurable expansion in own

source revenue and a pathway that late adopters can copy with minimal friction. These gains reflect conformity with the direction set in the Revenue Mobilization Roadmap¹⁹³.

While the revenue mobilization efforts were being made, expenditure monitoring couldn't be ignored. SNG provided technical assistance to TMAs of Swat, Lower Dir, and Shangla for the Computerised Financial Management System (CFMS)¹⁹⁴ and initiative of Finance Department and World Bank. The system helps efficient monitoring of the local expenditures. The SNG PFM advisors also used to conduct Cash Planning and Expenditure Review Meetings¹⁹⁵ with different TMAs and present analysis of expenditure under different heads.

ii. Urban planning and land-use governance

In this domain, SNG-II exclusively led the whole legislation process of Land Use and Building Control Act. Not only that, the real contribution was to turn the new law into practice through rules¹⁹⁶ and committees. Working with Planning and Local Government¹⁹⁷ departments, the programme helped operationalise the Act's intent by setting up District Land Use Planning and Management Committees, improving their meeting cadence, record keeping, and follow through. In districts like Buner¹⁹⁸, Dir Lower¹⁹⁹, Swabi²⁰⁰, and Shangla²⁰¹, teams moved from ad hoc decisions to a clearer workflow that linked applications, scrutiny, and decisions to basic plan criteria. The programme also encouraged a master plan mindset, with Dir cited as pushing toward a district plan that marries growth with disaster risk considerations, so committee decisions would no longer be isolated from a spatial strategy. Comprehensive master plan²⁰² and land use plan²⁰³ have been prepared for Swabi as well.

Equally important was the way SNG-II connected land use control to the rest of the governance system. The programme worked on the province to district interface so that committee resolutions, NOCs, and approvals could be defended in cabinet briefings and routine PDWP reviews, rather than treated as standalone acts. It promoted a short citizen explainer on densification rules and public notice practices to reduce disputes, and it aligned forms and checklists with PC-1 appraisal so that large municipal or roads investments did not undermine zoning decisions. This steady normalisation of routines did

¹⁹³ [Reforms roadmap and Revenue Mobilization Plan for TMAs, 31st March 2022](#)

¹⁹⁴ [Minutes of Expenditure review and Own Resource Revenue\(\(OSR\) Meeting, Tehsil Municipal Administration Bahrain, March 2024](#)

¹⁹⁵ [Minutes of the meeting - Cash Planning, Expenditure Review and OSR – Tehsil Municipal Administration of Timergara, 3rd January 2024](#)

¹⁹⁶ [Letter: Submission of Revised Land Use and Building Control Authority Service Rules, 18th October 2023](#)

¹⁹⁷ [Compendium of Documents related to Land Use and Building Control Authority from 17 March 2022 to 26th June 2022](#)

¹⁹⁸ [Minutes of the 8th meeting of District Land Use Planning and Management Committee, Buner, 9th May 2024](#)

¹⁹⁹ [Notification: District Land Use Planning and Management Committee, Lower Dir, 30th November 2023](#)

²⁰⁰ [Minutes of the meeting of District Land Use Planning and Management Committee, Swabi, 2th April 2024](#)

²⁰¹ [Notification: District Land Use Planning and Management Committee, Shangla, 17th November 2022](#)

²⁰² [Sub-National Governance Programme City Strategic Management Plan 2025-2028, Draft Report, March 2025](#)

²⁰³ [Sub-National Governance Programme Land-Use Plan Implementation Framework District Swabi, Draft Report, March 2025](#)

not seek headlines. It made the law usable, created a shared paper trail across departments, and gave district committees the tools to protect agricultural land, guide infill, and reduce the backlog of irregular construction.

iii. Service Delivery (Focus on Solid Waste Management)

SNG-II's most visible and citizen-facing contribution to service delivery came through the design and rollout of the solid waste management (SWM) pilot, guided by need assessment reports²⁰⁴ and business plans²⁰⁵. The programme treated waste collection not as an isolated municipal function but as a full service chain - from generation to segregation, composting, and cost recovery - demonstrating how financial discipline and public participation can reinforce each other. It began with a simple idea: deliver visible, regular door-to-door collection first, build public trust through reliability, and only then legalise and gazette the service fee. This sequencing proved crucial. In TMAs like Bahrain, Babuzai (Swat), Haripur, and Mansehra, the pilot evolved from small trials to structured municipal services (also codified in draft Byelaws for Solid Waste Management)²⁰⁶. Citizens saw cleaner neighbourhoods and began paying willingly for a service that met their expectations.

The model itself was innovative because it adapted to local realities rather than importing expensive infrastructure. Instead of waiting for large-scale Integrated Resource Recovery Centres (IRRCs), TMAs used low-capex ring and vertical composting units that converted organic waste into marketable compost. Staff were trained and incentivised through performance-linked bonuses tied to household coverage, which raised morale and accountability. Public engagement was constant - awareness drives, social media updates, and community feedback helped reduce leakages and improve transparency. The pilots also showed flexibility in economic design: seasonal pricing for tourist belts like Kalam balanced affordability and revenue, while rate differentiation between households, hotels, and markets made the system fair and sustainable.

Institutionally, the pilot created a blueprint for integrating municipal service delivery with financial autonomy. By legalising SWM fees through council resolutions and gazette notifications, TMAs gained predictable own-source revenue streams that could be reinvested in maintaining or scaling the service. The compost linkages with the Agriculture Department and local testing facilities further demonstrated circular-economy potential, connecting waste management with environmental and agricultural goals. Yet, the pilots also surfaced structural risks - particularly around jurisdiction enforcement, where overlapping mandates between TMAs, WSSCs, and Urban Development Authorities diluted responsibility and allowed informal collectors to skim recyclables. Procurement bottlenecks also slowed mechanisation in some districts.

²⁰⁴ [Developing a Sustainable Solid Waste Management System for Haripur and Mansehra: Rapid Needs Assessment Report, Sub National Governance Programme, 09 February 2024](#)

²⁰⁵ [Developing a Sustainable Solid Waste Management System for Haripur and Mansehra, Business Plan – Haripur, 25 March 2024](#)

²⁰⁶ [The Khyber Pakhtunkhwa Model Byelaws on Solid Waste Management, 2024](#)

The reform's broader value lies in its replicability. SNG-II left behind a tested model that can now be scaled through a provincial SWM Playbook, detailing service-first SOPs, model fee resolutions, exclusive collection zones, composting templates, and staff incentive guidelines. It offers proof that when governance, community engagement, and fiscal reform converge at the local level, service delivery can become both sustainable and self-financing.

This approach was not a detour from the programme's theory of change. SNG-II's core logic was that stronger fiscal space and better sub-national governance would produce better services. The SWM pilots operationalised that logic at district and tehsil level, where governance becomes real for citizens. By designing a cost-recovering service that sits on top of transparent budgeting, OSR modernization, and routine financial reporting, the pilots showed how system reforms convert into cleaner streets without adding fiscal burden, and how reliable services, in turn, reinforce willingness to pay and institutional credibility.

Here, it is important to mention the example of TMA Mingora²⁰⁷. Due to financial constraints, the TMA fired 300 sanitary workers. However, SNG analysis helped enhance the OSR in Mingora which was used to retain 100 out of 300 sanitary workers so that a minimum level of service delivery could continue. This points toward the direct link between fiscal space and service delivery.

The officials of Local Government Elections and Community Development Department confirmed that the Department had prepared two PC-1s - one each for Mansehra and Haripur - to formalise and scale the SNG-II SWM pilots using provincial development funds. However, both PC-1s were dropped during the final Annual Development Programme (ADP) approvals, so they remained in the pipeline rather than moving to execution. They viewed this as a missed opportunity rather than a design flaw. The technical groundwork, operational SOPs, and cost-recovery logic were already in place, the real success of a TA programme like SNG-II.

They also noted that SWM pilots proved the concept at TMA level but scaling requires a few non-negotiables: enforce exclusive collection zones to stop leakage by informal pickers and overlapping agencies; provide steady operating resources and some light mechanisation where routes have grown; and back the model with clear provincial policy so councils can set and defend tariffs without repeated political contestation. They noted that the "service first, then legalise the fee" sequencing worked, willingness to pay is real when routes are reliable, and low-capex composting is a sensible bridge while larger IRRCs remain delayed.

Finally, they stressed that sustainability depends on formal roles and supervision. Where Water and Sanitation Services Companies (WSSCs) operate, clarity in service boundaries and simple, enforceable service arrangements remain important. Incentive mechanisms linking frontline staff performance to household coverage and fee recovery were found to be particularly effective in sustaining outcomes. In short, the pilots were successful at proving viability, and were scaled up in six additional TMAs following successful demonstration in Bahrain and Babuzai. Province wide scalability can be ensured through administrative

²⁰⁷ [Minutes of meeting regarding uptake of key initiatives, Local Government, Elections & Rural Development Department, Government of Khyber Pakhtunkhwa, 20th February 2024](#)

endorsement from top i.e LGE&RDD and peer learning - the latter already demonstrated by TMA Bahrain. but scale and durability hinge on exclusivity, policy cover, and routine funding discipline.

District-wise Highlights

Haripur²⁰⁸

- **OSR:** Tax schedule revised (e.g., water rate Rs.100 → Rs.300); growing citizen willingness to pay.
- **Service delivery:** Waste-reduction centre serving 500+ households; 300 kg compost produced; Agri Dept testing linkage; staff incentives for recyclables; strong door-to-door uptake.
- **Citizen engagement:** Regular land-use committee meetings (monthly/6-weekly).

Swabi²⁰⁹

- **OSR:** Reported significant tax increases and continuing review; wants TA targeted to district pain points.
- **Service delivery:** Pilot door-to-door for 500–600 households with composting; citizens willing to pay; mechanisation/equipment gap noted; tenders stalled (zero utilisation).

Mansehra²¹⁰

- **Governance/OSR:** Taxation Council (Sec. 42) active; new revenue avenues in pipeline (templates/guidance used).
- **Service delivery:** Door-to-door pilot (200 households); waste-reduction centre at Makaira; households increasingly willing to pay; community primary collection, TMA secondary haulage.
- **Citizen priorities mapped:** Girls' access to schools, WASH, PHU functionality, urban pavements.

Swat - TMA Bahrain²¹¹

- **OSR:** Schedule revised; door-to-door fee legalised (politically calibrated: Rs.150–300); pushing commercial tariffs for hotels (with seasonal rates) in Kalam.
- **Service delivery:** End-to-end SWM with low-capex ring/vertical composting; 1,200–1,400 households in catchment; 500–800 paying initially; staff incentives vs. recovery; social-media accountability. In March 2024 LGE&RDD notified TMA Bahrain as the model TMA for other TMAs to pilot the SWM model in at least one

²⁰⁸ FGD: FKP01 (Haripur)

²⁰⁹ FGD: FKP02 (Swabi)

²¹⁰ FGD: FKP03 (Mansehra)

²¹¹ FGD: FKP07 (Swat)

neighbourhood council. TMA Bahrain organised learning session²¹² for representatives of 7 other TMA including Charbagh, Khwazakhela, Matta, Dargai, Adenzai, Barikot, and Kabal.

- **Systems/scale:** Tackled jurisdiction frictions (NHA roads, Urban Area Development Authority jurisdictions); explored CSR with chambers, carbon credits, biogas; strong peer demonstration effect to other TMAs.

Swat - TMA Babuzai²¹³

- **Governance:** Case Flow Management System (CFMS) fully adopted (uniform COA, designated UBL accounts, live cashbooks & printable audit trails); needs a few months for lagging TMAs to lock in.
- **OSR:** Council-approved, gazetted fee schedule door-to-door ≈ Rs.300, updated hotel/school/trade-license charges.
- **Service delivery:** End-to-end SWM; fees moved from voluntary to legalised ; composting cycle 40–60 days; scaling door-to-door to Kalam hotels first (then residential).

Swat - WSSC Swat²¹⁴

- **Institutional lesson:** WSSCs lack enforcement powers (operate as TMA contractors); sustainability hinges on Rs.300/month cost-recovery or alt-revenues (recyclables, compost, landfill recovery).
- **Service delivery:** IRRC under construction; dumping-ground outsourcing & recovery rights concept developed; waste characterization (Landikas) completed to target green-market/compost.
- **Data/systems:** Exposed gaps in land/consumer registries; positioned KP-SIP (2026) for water-governance investments.

Dir Lower²¹⁵

- **OSR:** Tax schedule revised (first since 2012).
- **Governance:** Budget Priority Committee and process changes → simpler budgeting and more to service delivery (e.g., schools).
- **Planning:** Capacity building support²¹⁶ provided for end-to-end PFM Cycle²¹⁷.

²¹² [Notification: Brief On TMAs Exposure Visit To TMA Bahrain On End-To-End Solid Waste Management Model, Local Government, Elections & Rural Development Department, Government of Khyber Pakhtunkhwa, 4th June 2024](#)

²¹³ FGD: FKP07 (Swat)

²¹⁴ FGD: FKP08 (Swat)

²¹⁵ FGD: FKP06 (Lower Dir)

²¹⁶ [Meeting Minutes Public Financial Management Model, December 2023](#)

²¹⁷ [Guidelines For End-To-End PFM Cycle, Sub National Governance Program II, 2024](#)

- **PFM:** CFMS introduced and TMA Timergara is entering the data in it.

Shangla²¹⁸

- **OSR:** Major expansion of revenue heads (4 → 48–50), incl. public washrooms, advertisement, conservancy; low initial rates for acceptance; “services for taxes” message.
- **Governance/PFM:** Head-wise tracking, cash planning; CFMS being introduced
- **Service delivery:** Door-to-door/segregation exposure; urges balance of soft capacity + hard infrastructure; replicate strong models (e.g., Bahrain).

Buner²¹⁹

- **Governance/OSR:** Guidance to raise rates on existing items (e.g., marble); limited change so far; needs grant support & provincial harmonisation.
- **Service delivery:** No SWM support beyond site selection; recommends expanding land-use/building-control activities.
- **Citizen engagement:** Multiple committee-based consultations valued; sustainability needs continued support.

A.3.7. Accountability and Inclusion Analysis

1. Organized, Coherent and Strategic Intervention by SNG II: To further inclusive and transparent governance, SNG II adopted a multipronged approach. Building sustainable multi-stakeholder coalitions such as reform working groups and Steering Committees, and improving stakeholder engagement across for a, are all reflected in A&I activities. In addition, application of equity, accountability and transparency is evident across log frames, from outcome to milestone levels, thus ensuring inclusive practices at every level of the programme.²²⁰

Given that SNG II’s design documents did not include concrete gender and inclusion targets, the pathway followed by A&I teams invariably began with conducting diagnostic studies and baseline assessments for departments, including the Planning and Development Departments in Punjab and KP. Strategic and policy interventions that followed were accompanied by parallel efforts to develop capacity of key personnel to continue gender inclusive practices. Stakeholders interviewed for this evaluation confirmed that SNG II led a consultative, participatory and holistic reform agenda with the P&D; one that is capable of trickling down stream to other departments.²²¹

²¹⁸ FGD: FKP05 (Shangla)

²¹⁹ FGD: FKP04 (Buner)

²²⁰ Review and technical analysis of SNG II Logical Frameworks from 2019 to 2025 (*undertaken by the Evaluation team*)

²²¹ KII: GKP03 (Unit Chief SPGM, P&DD KP)

The A&I team must be credited for their effort to embed inclusivity across all SNG II work streams. In furthering their aim of inclusive planning and budgeting, the A&I team worked alongside the Local Governance work stream to formulate a Citizens' Engagement Framework, which supports effective citizen participation in planning, budgeting, and service delivery.²²² The Framework was formally included into the curriculum of the Punjab Local Government Academy, Lalamusa and a similar manual developed for CSOs.²²³

Strategically following their goal of inclusive budgeting, the A&I team worked alongside SNG II's PFM work stream, to advocate for, subsequently convene and report back on citizens' demands for provincial and local-level budgets.²²⁴ Owing to their coherence and alignment with national and provincial inclusive governance goals, measures above were approved by SNG II Provincial Steering Committees, and appreciated by Government functionaries in both provinces.²²⁵ Close coordination was maintained with other donors working in both provinces, including GIZ, UNWOMEN and UNDP, through SNG II's Steering Committees in Punjab and KP, and the P&D's IDS Unit in KP.²²⁶ Coordination and collaboration with FCDO's ongoing programs such as REMIT, AWAAZ-II, PRIDE and SEED was encouraged as far as possible. Steering Committees with representation from ongoing donor programmes avoided duplication and ensured complementary efforts, particularly in areas like public investment management and the revision of planning manuals.

SNG II's interventions aligned with Government of Pakistan's Vision 2025 document and its priority to strengthen social capital, improve human skill base, and provide access to opportunities for advancement.²²⁷ In addition to cutting across planning, finance, social protection and local governance work streams, the accountability and inclusion theme also aligned its goals and activities with provincial targets, including the Government of Punjab's Growth Strategy 2023,²²⁸ the Punjab Women Development Policy 2019,²²⁹ and the KP Women Empowerment Policy Framework 2017.²³⁰

2. Relevant, effective, efficient resource provided to Governments through the A&I teams in Punjab and KP: In both Punjab and KP, the Accountability and Inclusion teams

²²² [Local Government Grievance Redress Mechanisms in Punjab, Scoping Paper by SNG II \(2021\)](#)

²²³ [Citizens Engagement for Inclusive Planning, Training Report by SNG II \(2021\)](#)

²²⁴ [A&I Assessment Paper, SNG II 2023](#)

²²⁵ KII: GPB01 (Secretary P&DB, Government of Punjab)

²²⁶ KII: GKP04 (former Chief IDS Unit, P&DD, Government of KP)

²²⁷ National Gender Policy Framework 2022

²²⁸ Punjab Growth Strategy strives to make planning, budgeting and overall governance inclusive for the benefit of all minorities and vulnerable people

²²⁹ The Punjab Women Development Policy aims to *eliminate and systemically eradicate manifestations of explicit and implicit gender discrimination across all spheres of society including governance, development and livelihood*

²³⁰ In KP, the Government launched its Women Empowerment Policy Framework in 2017, and has been implementing policy reforms, gender audits and gender based analysis of health and education sector plans through the Khyber Pakhtunkhwa Commission on the Status of Women (KPCSW)

primarily led reforms in the P&D and Finance Departments, while also providing technical guidance and strategic input to all SNG-II work streams.

Key stakeholders in the P&D Department, Punjab, and the SPGM Unit at the P&D Department in KP confirmed that the SNG-II team provided quality, technically sound expertise to departments, accompanied by achievable targets. In both Punjab and Khyber Pakhtunkhwa (KP), SNG-II conducted a needs assessment for inclusivity, and designed relevant interventions to achieve goals identified.²³¹ Embedded teams provided technical assistance to develop the Performance Appraisal and Risk Assessment (PARA) Standards to measure and analyse the impact of development projects on marginalized groups.²³² It mandated Planning Officers to use gender-disaggregated data as evidence in planning; and made social inclusion and environmental impact assessments imperative for approval of projects.²³³ The SNG-II teams' patience in dealing with Departmental processes, ensuring all exercises were consultative and inclusive of minority opinions and following up rigorously, was acknowledged by all stakeholders.²³⁴

Stakeholders were keen to inform that the SNG-II team would often help them “firefight” and prepare gender sensitive documents or feedback as and when requested by Departments. According to Government stakeholders, Provincial Steering Committees in both Punjab and KP proved efficient to coordinate, streamline and timely approve work plans. In KP, the International Development section in the Chief Economists' Office also coordinated work plans of donor organizations, including SNG-II, UNWomen and GIZ, to ensure coherence and avoid duplication.²³⁵

In addition, stakeholders appreciated the fact that SNG-II was flexible in areas it provided technical assistance. They valued SNG II's responsive, adaptive model, which met immediate demands and technical assistance needs of the Government, especially in conducting Vulnerability Assessments during the COVID-19 pandemic.²³⁶ Stakeholders in both Governments were especially appreciative of SNG-II's team structure, one involving a mix of bureaucrats and private sector experts.²³⁷ In their perspective, bureaucrats understood bureaucratic mindsets, processes and hurdles far better than private sector experts; also necessary partners due to their subject matter expertise.

3. Ownership of Gender based Planning in Punjab: Planning reform is a long term, interactive and reiterative process that requires continuous support, sustained commitment, institutional mindset change, and endless capacity building.²³⁸ A long term planning reform program must thus consider institutional inertia, rigidity and resistance in

²³¹ [Institutionalizing Inclusion in Provincial Planning, Strategy Paper by SNG II \(2020\)](#)

²³² KII: IPB08 (KPMG Teams, SNG-II)

²³³ [Accountability and Inclusion Initiatives by SNG-II \(Punjab and KP\), 2023](#)

²³⁴ KII: GPB03 (Chief Coordination, P&DB Punjab)

²³⁵ KII: GKP04 (former Chief IDS, P&D Department, KP)

²³⁶ KII: GPB06 (former Chairman P&DB, Government of Punjab)

²³⁷ KII: GPB10 (former Special Secretary Finance, Government of Punjab)

²³⁸ [Reforming Public Institutions and Strengthening Governance, World Bank Strategy, 2000](#)

bureaucratic systems,²³⁹ technical capacity constraints, and cross sector coordination and alignment of development targets.²⁴⁰

While short-term impact of SNG-II's technical support is seen through improvements in PC-I documents, implementation of revised ADP Guidelines, use of gender disaggregated administrative data, and increased capacity of Planning Officers and Cells, reforms to make the planning process more inclusive and evidence based must continue in the longer term.²⁴¹ For reforms initiated by SNG-II to be institutionalised, there must be leadership and ownership of the gender portfolio. A key problem identified by the Planning and Development Department, Punjab was the nonexistence of a Unit or Team to bring and retain departmental focus on gender and inclusion.²⁴² Stakeholders in Punjab suggested a Unit similar to the Gender Unit at the Planning Commission, and the SPGM Unit at the P&DD, KP.²⁴³ In the absence of a technical unit within the P&D to sustain gender sensitive planning processes, inclusive practices will not be entrenched in the long term.²⁴⁴ Pertinently, even though *inclusive planning and budgeting* is one of the policy domains of the Women Development department, the Department lacks technical expertise, budgets and dedicated human resource to contribute effectively towards gender sensitive, inclusive planning and budgeting processes. That said, for the P&DD's policy goal of inclusivity to translate into action, it must house its own gender unit with dedicated, technical experts who can cultivate the gender and inclusion portfolio.

4. Social Protection schemes for vulnerable groups within larger marginalized populations: Social protection was added as a work stream following the COVID 19 pandemic and SNG II's significant contribution towards roll out of counter measures. Interviews with Government Officials in leading social protection agencies across both Punjab and KP ²⁴⁵ agreed that social protection must be gender neutral and support vulnerable populations regardless of gender.²⁴⁶ Recognition of womens' additional vulnerability due to ill health, limited access to education and economic opportunities, their restricted mobility and resultant economic participation however, are key considerations highlighted by the Punjab Social Protection Policy 2025 and Strategy 25 – 30, and the KP Social Protection Strategy developed with SNG II's technical assistance.²⁴⁷ Most pertinently, social protection schemes developed with technical aid from SNG II have commendably focused on minority groups as subsets of larger vulnerable populations. Examples of

²³⁹ [Institutional Reforms in Pakistan - The Missing Piece of the Development Puzzle, Sakib Sherani, 2017](#)

²⁴⁰ [Challenges to reform public sector institutions, GSDRC, 2015](#)

²⁴¹ KII: GKP03 (SPGM Unit Chief, P&DD, Government of KP)

²⁴² KII: GPB05 (former Secretary P&DB, Punjab)

²⁴³ KII: GPB04 (Joint Chief Economist, P&DD, Punjab)

²⁴⁴ KII: GPB02 (Chief Environment, P&D Department, Punjab)

²⁴⁵ KII: GKP18 (Public Policy and Social Protection Reform Unit, Government of KP)

²⁴⁶ KII: GPB20 (CEO Punjab Social Protection Authority, Government of Punjab)

²⁴⁷ KII: GKP18 (Public Policy and Social Protection Reform Unit, Government of KP)

schemes developed include cash transfers for elderly women²⁴⁸ and financial aid for survivors of acid crimes.²⁴⁹

5. Significant strides towards Inclusive, Gender Responsive, and Evidence-based Planning in Punjab and KP: Inclusive planning is an approach to development and policy planning that actively considers the different needs, priorities, and experiences of diverse groups, including women, girls, religious minorities, people with disabilities and other marginalized groups. It embeds social, vulnerability and marginalization analysis and objectives at every stage of the planning cycle, including budgeting. It ensures that the benefits of development programs are equitably distributed among all vulnerable populations. In addition, it analyses structural inequalities in planning, and aims to reduce them as far as possible.

In both Punjab and KP, the provincial planning process was not evidence-based,²⁵⁰ and did not cater to the needs of marginalized groups; nor did it measure the impact of development projects on these groups. With technical assistance to the P&DD, SNG II developed and refined data collection frameworks,²⁵¹ revised ADP Guidelines to mandate social inclusion and vulnerability analyses, and scored proposed schemes in order of relevance for marginalized communities.²⁵² ADP Guidelines supported by SNG II in Punjab required departments to use the latest data sources,²⁵³ assess needs through evidence available, and develop quantifiable targets through development projects.²⁵⁴ They also mandate stakeholder consultations with representation of marginalized groups. In Punjab, the Planning Manual was also updated to promote inclusion, equity and gender mainstreaming, while a gender-mainstreaming checklist was included for project identification. In KP as well, SNG II supported formulation of the Planning Manual, and ADP Guidelines to include the use of gender-disaggregated data, mandate stakeholder consultations with representatives of marginalized groups, and add project log-frames with gender and inclusion targets.

With respect to the use of gender disaggregated data for evidence based planning, SNG II supported development of a gender disaggregated Indicator Framework across six sectors,²⁵⁵ ultimately shared by the P&D Punjab with 14 departments for use in planning development projects. In KP, SNG II aided refinement of an Indicator Framework developed by UNWOMEN.²⁵⁶ In addition, SNG supported the P&D Department's Social Protection and

²⁴⁸The Ba himmat Buzurg programme for elderly women was developed by the PSPA with technical assistance from SNG II

²⁴⁹ The Nayi Zindagi programme was designed to economically empower survivors of acid violence

²⁵⁰ [Achieving Inclusion: Evidence based Planning to Address Marginalization in Punjab, SNG II Workshop Report on Collection & use of gender disaggregated data for Provincial Planning \(2021\)](#)

²⁵¹ [Planning Capability Assessment, SNG II \(2021\)](#)

²⁵² KII: GPB05 (former Secretary P&DB, Government of Punjab)

²⁵³ [Gender disaggregated data framework developed by SNG II \(Punjab\)](#)

²⁵⁴ [Accountability and Inclusion Initiatives of the SNG Program, Punjab and KP, March 2023](#)

²⁵⁵ Gender disaggregated data framework developed by SNG II cut across (i) education, (ii) health, nutrition, and population welfare, (iii) agriculture, (iv) social infrastructure, (v) private sector development, and (vi) environment/climate change, water, and infrastructure development

²⁵⁶ KII: SKP03 (A&I Advisor, SNG II KP)

Gender Mainstreaming (SPGM) section in notifying the Indicator Framework to guide the PC-1 development process in more than 24 departments across the KP Government.²⁵⁷

With a view to make planning processes more inclusive and needs-based, SNG II developed a PC-I Review Template,²⁵⁸ which was reexamined and further tweaked by a PC-I Review Committee notified by P&D Board. The objective of this exercise was to fully automate a ‘rule-based’ electronic system for appraisal and approval of PC-1s. The process uses checklists to align PC-1s with provincial ADP priorities, and improve their social relevance. This pilot demonstrates a number of benefits; reduced PC-1 processing time, reduction in budgetary throw-forward, simultaneous financial releases by P&DB and the Finance department, auto-release of development funds, and reduced time taken to release funds.²⁵⁹ The revised, automated Template now mandatorily requires departments to use gender-disaggregated data to establish need for the project, predict social impact results from the project, consult with minorities and vulnerable groups, and monitor progress with specific reference to impact upon vulnerable groups. With SNG II’s technical support, the Template was uploaded on the Smart Monitoring of Development Projects (SMDP) in Punjab.²⁶⁰ In KP however, the PC-1 Template developed has not been institutionalised thus far.²⁶¹

Another noteworthy step taken by SNG II to make the planning process inclusive was creation of an inroad for sector experts²⁶² in education, health, agriculture, labour and women development, social protection and local governance, to contribute towards ADP priorities. If continued, this inclusive step will ensure design of development schemes in line with research, and needs of marginalized groups.

In KP, SNG II supported revision of Terms of Reference of Planning Cells in five departments.²⁶³ SNG II’s Assessment highlighted lack of clearly defined Terms of Reference (ToRs) for Planning cells, and found that Planning Officers were more involved in operational tasks than strategic planning for their sector.²⁶⁴ In line with its findings, SNG II proceeded to formulate detailed TORs for Planning Cells in KP, including *inter alia* setting sector output and outcome targets, developing implementation plans for the execution of sector plans, and formulation of ADP schemes in line with sector plans, ADP guidelines and provincial development goals. Creation of sector plans and strategies is a major step towards sustainability for inclusive planning in KP. If followed after SNG II’s exit, these plans will

²⁵⁷ KII: GKP03 (SPGM Unit Chief, P&DD, Government of KP)

²⁵⁸ Planning Commission (PC) – 1 document is the primary project document submitted by all departments to the P&D as Proposals for new development schemes in any financial year.

²⁵⁹ [Evaluation of SNG Support to Improved ADP Processes in Punjab, Mid-term Evaluation by SNG II, March 2023](#)

²⁶⁰ KII: SPB03 (A&I Advisor, SNG II Punjab)

²⁶¹ KII: SKP03 (A&I Advisor, SNG II KP)

²⁶² [Minutes of Meeting, SNG II and Aawaz II \(July 2025\)](#)

²⁶³ Higher Education, LGERD, Zakat, Ushr, Social Welfare, Special Education and Women Empowerment Department, Irrigation Department and Communication and Works Department, were assessed for planning capacities.

²⁶⁴ [Strengthening the Capabilities of Planning Cells, Mandate and ToRs of Planning Cells, SNG II \(2021\)](#)

strategically direct line departments towards planning of projects based on evidence, needs of vulnerable populations within the bounds of their sector plans.

This Evaluation's appraisal of PC-1 documents following SNG II's technical support to Planning Officers and the P&D Department shows visible improvement in the use of evidence to substantiate social relevance for a development scheme.²⁶⁵ An assessment of Planning Cells' performance conducted 2 years following SNG II's diagnostic²⁶⁶ revealed that their planning processes had improved due to revised terms of reference, as reflected in ADP allocation for new schemes. In FY 2022/23, the KP Social Welfare Department's Planning Cell introduced 26% new schemes as compared to the previous year, out of which six schemes were designed specifically for women and minorities. Overall, the number of approved schemes for the social welfare sector in the province's ADP for financial year (FY) 2022/23 increased from 37 to 42 schemes, while new schemes for LGE&RDD increased by 16% in 2022/23.

While short term impact of SNG II's technical support can be seen through improvements in PC-1 documents, inclusive ADP Guidelines, use of gender disaggregated administrative data, and increased capacity of Planning Officers and Cells, this culture of reform must be allowed time to mature in the longer term for the ADP formulation process to be considered "gender sensitive".²⁶⁷

6. Training of Planning Officers in Punjab and KP: Achieving SNG II's targets of inclusive, participatory and evidence-based planning and budgeting systems in Punjab and KP required enhanced capacities of Planning Officers and Planning Cells, particularly in the P&D and Finance Departments.

In Punjab, induction training received by Planning Officers after joining the P&D is not supplemented by in-service refresher trainings. In addition, Assessment Reports highlight the fact that Planning Officers have limited understanding about measuring "*social impact*" of development projects. In line with this Assessment, SNG II created a Training Manual for Planning Officers at the P&D, with a focus on planning and monitoring. This ambitious, eight-week full time training course covers knowledge, skills and professional values expected of Planning Officers. In addition, it exposes trainees to all major strategic and policy documents related to provincial development planning, and covers the entire planning cycle.²⁶⁸ The "training of Trainers" model ensures sharing of information among colleagues without formally scheduled trainings. Review of training reports reveals limited increase in participants' knowledge of new planning tools created by SNG II. Interestingly however, Planning Officers who had taken multiple trainings on the same subject matter demonstrated an increase in knowledge and application thereof, in formulation of PC-1 documents, thus furthering the conclusion that trainings must continue to sustain reform

²⁶⁵ PC-1 documents before and after technical assistance from SNG II

²⁶⁶ [Assessment of Planning Cells, SNG II \(KP\) \(2023\)](#)

²⁶⁷ KII: GKP03 (SPGM Unit Chief, P&DD, Government of KP)

²⁶⁸ Sub-National Governance: Better Systems for Better Services (2020-2021)

after SNG II's exit.²⁶⁹ It is noteworthy, that the original 8-week [Training Manual](#) was later synthesized to a 1-week training module, to be used by Planning Cells in both provinces.²⁷⁰

In KP, Planning Officers were given orientation of their revised mandate and TORs, to ensure application and implementation of the TORs in their entirety. Officials at the Social Welfare, Special Education and Women Empowerment Department believed that the strategic mandate for their planning cell helped them set clear objectives for development projects, and shift their focus to design of projects, rather than routine business.²⁷¹ Overall, from the programme's perspective, inclusive measures were introduced and successfully implemented by Departments with support from SNG II. Continued, regularly scheduled training programs following SNG II's exit will guarantee improved knowledge, expertise to apply knowledge, and enhance capacity of Planning Officers to produce informed PC-1 documents.

7. PARA Standards are relevant, data driven, impact measuring, social appraisal tools for development of PC-1: Historically, planning processes in Punjab and KP suffered from weak linkages with Provincial development priorities, limited appraisals and project selection criteria, lack of evidence and capacity to justify development projects,²⁷² processes that are not inclusive, and limited recognition and consideration of disaster resilience.²⁷³

The Project Appraisal and Risk Assessment (PARA) Toolkit formulated by SNG II's embedded team within the P&DD in both Punjab and KP provides questions and scores projects according to their relevance and coherence with Provincial priorities.²⁷⁴ It rejects projects with weak evidentiary backing; and mandates financial, risk, economic, social inclusion, and environmental/climate risk appraisals. Overall, the purpose of these standards was to establish a uniform approach that aligns projects with the P&D's strategic goals, assesses viability, sustainability and potential risks. This is crucial to ensure that projects not only meet immediate needs, but also contribute to the long-term socio-economic development in the provinces.²⁷⁵ The PARA standards categorize direct and indirect beneficiaries and actions to be taken for their benefit; and mandate a consultative process for design of development projects, and ensure monitoring and evaluation in collaboration with beneficiaries.²⁷⁶

Comparison of PC-1 documents submitted to the P&D before and after alignment with the PARA standards reflects holistic needs and risk assessment never done before. Planning Officers are increasingly demonstrating comfort in using evidence to justify projects and relying on digital systems to approve or reject projects on the basis of the scoring system.

²⁶⁹ Inclusive Planning and Budgeting Training Assessments by participants

²⁷⁰ Capacity building Training Workshop for Planning and M&E Officials (2021)

²⁷¹ KII: GKP04 (SPGM Unit Chief, P&DD, Government of KP)

²⁷² KII: SPB03 (A&I Advisor, SNG II Punjab)

²⁷³ KII: IPB08 (KPMG Team, Punjab)

²⁷⁴ PARA toolkit analyses development schemes with their relevance to provincial and national strategic objectives, the Sustainable Development Goals (SDGs), and the Punjab Spatial Strategy

²⁷⁵ Project Appraisal and Risk Assessment User Manual, SNG II

²⁷⁶ Ibid.

Notably, an achievement on the part of SNG II lies in the institutionalisation of the standards by the P&D in Punjab.

8. Meaningful Steps towards Inclusive Budgeting in Punjab and KP: Globally, public sector institutions suffer from a decline in democratic trust, increase in political discontent and citizen dissatisfaction, and a resulting decrease in voter turnout. Participatory budgeting, an approach that allows citizens to directly engage in budgetary decisions, emerged as one of the most promising solutions to this global democratic malaise. Broadly, public involvement and deliberation make budgetary processes inclusive, transparent and democratic. Inclusive budgeting addresses both socio-economic and democratic goals, and seeks to enhance public infrastructure and services while promoting equality and transparency. One means to achieve an inclusive budget is through Gender Budget Tagging (GBT), a public financial management tool used to track and classify government budget allocations that contribute meaningfully to gender equality and women's empowerment. This powerful tool also aids governments to plan better, resource efficient and effective initiatives for advancement of minorities and vulnerable populations.

In both Punjab and KP, no prior system existed to track and analyse proportion of the provincial budget spent on programmes to empower women, create jobs for them or improve their health.²⁷⁷ Resultantly, the Provincial Government has been unable to support policy decisions or make timely investments towards gender equality and women's empowerment.²⁷⁸ The GBT methodology was designed by SNG II to assist in building institutional capacities for inclusive budgeting, ensure more equitable public finance management, reduce social disadvantages, promote economic efficiency, poverty reduction and result in good governance.²⁷⁹ It also helps determine whether spending aligns with provincial gender spending goals, increases transparency, and enables better monitoring of government spending.

Processes adopted by SNG II in developing the GBT methodology were largely inclusive and consultative. Finance departments in both provinces were engaged to identify budgets that have high, medium or low relevance for women and other gender minorities.²⁸⁰ In addition, setting up GBT Working Groups in both provinces, and ensuring thematic and programmatic oversight by SNG II's Provincial Steering Committee brought a further dimension of inclusivity to the process of GBT. Furthermore, SNG II also trained relevant Officials at the Finance Department on how to conduct the GBT exercise and analyse budgets gender responsively. As a pilot activity, the A&I team put together a 3-year analysis of provincial budgets using the methodology.²⁸¹

²⁷⁷ [Gender budget tagging Tasking Paper, SNG II \(Punjab\)](#)

²⁷⁸ Ibid.

²⁷⁹ [Gender budget tagging options and methodology paper, July 2023, SNG-II](#)

²⁸⁰ For instance, a Project with high gender relevance could be construction of a girls' school. On the contrary, a project with low gender relevance (but overall social relevance, which could benefit all population groups equally) could be the construction of a road to connect rural residential areas to a more urbanized area.

²⁸¹ KII: SKP03 (A&I Advisor KP, SNG II)

Although the exercise appears holistic, its impact, sustainability and effectiveness cannot be judged at this nascent stage, especially given that methodology has not been institutionalised thus far. Officials at the Finance Department, Punjab believe that the exercise is incomplete at its current stage, and must be accompanied with a Provincial Gender Fiscal Framework at the very least.²⁸² In addition, an MTF with specific gender goals, revenue impact assessments, and expenditure tracking by the Government must also be formulated. Once goals and expenditure targets are set, a further analysis using the GBT methodology must be conducted, to outline achievement of targets, shortcomings and ways forward to meet gender goals.

Pre Budget Consultations convened by the Finance Department, with technical assistance from SNG II invited civil society representatives, academia, Government Officials, and development partners to brainstorm on budgetary needs of vulnerable groups and neglected sectors. Recommendations given forth have thus far been shared with relevant departments for inclusion into development budgets. Most notably, the Government of KP announced formation of a helpline for survivors of gender based violence, a recommendation emanating from the FY 24-25 pre-budget consultation.²⁸³ In addition, Punjab has seen 41%, 45% and 42% of PBC recommendations translate into action for the 2022-23, 2023-24 and 2024-25 budgets, respectively.²⁸⁴

Other tasks, which bolstered reforms at the Finance Department included amendments to the Budget Call Circular to include mandatory pre-budget consultations with civil society, and representation of women on departments' priority committees. Although institutionalised, the quality of consultations conducted and degree of institutional uptake will undoubtedly decline following SNG II's exit.

9. Gender and Inclusion in Innovation Challenge Fund Grants: Interviews with ICF partners and A&I Advisors brought to light the fact that the pilots were not designed to respond to specific governance challenges faced by women, gender minorities, marginalized populations and vulnerable groups. A desk review of baseline assessments conducted for these pilots reveal their purpose in countering governance challenges equally relevant for all population groups, including men and boys. Principally, ICF pilots pioneered innovative governance models, *inter alia* to increase own source revenue for local bodies, and digitize tax collection.²⁸⁵ It is pertinent however, that although gender blind in design, partners realized the numerous spillover effects of improved service delivery upon the lives of women and vulnerable communities.²⁸⁶

The solid waste management pilot in Kasur was an outlier in this regard. SNG II led citizens engagement activities in collaboration with Awaaz II teams and the Social Welfare and Bait-ul-Maal, and Education Departments. Stakeholders organized citizens' awareness walks and seminars, with an overall aim to improve solid waste management with community

²⁸² KII: GPB09 (Special Secretary Finance, Punjab)

²⁸³ KII: SKP03 (A&I Advisor, SNG II KP)

²⁸⁴ [Gender responsive budgeting Initiatives by A&I, SNG II](#)

²⁸⁵ KII: IKP05 (Evamp and Sanga, KP)

²⁸⁶ Ibid.

participation. Door-to-door awareness activities targeted women specifically, especially since garbage collection is their direct concern.²⁸⁷ It is noteworthy to mention, that engagement activities with citizens were intended to improve effectiveness and impact of the solid waste management pilot, rather than inclusive governance in itself.

10. Citizens Engagement for Inclusion Governance: With a view to further inclusive governance and give voice to marginalized groups, comprehensive [Citizen Engagement Guidelines](#) (CEGs) were formulated by SNG II, and subsequently endorsed and institutionalised by the LG&CDD Punjab and the LG&ERD KP.²⁸⁸ Trainings conducted oriented Officials with methodologies to increase accountability, make governance more inclusive and give voice to citizens. In Punjab, SNG II's Accountability and Inclusion Team conducted trainings on the guidelines and framework for citizens engagement, and successfully managed its inclusion in the Local Government Academy's Training Curriculum. In KP as well, the guidelines were institutionalised through the government's Learning Management System.

For trainings to be effective in the long-run, it is imperative for them to continue on a regular basis. To an extent, SNG II managed to set the groundwork for sustainable impact through institutionalisation of the module at the LG Academy, Punjab, and LG School, KP. However, with limited technical expertise to conduct trainings and retain a competent cohort of Master Trainers, departments' application of citizens engagement guidelines will predictably be limited following SNG II's exit.

²⁸⁷ KII: SPB03 (A&I Advisor, SNG II Punjab)

²⁸⁸ [Citizens Engagement Guidelines, SNG II](#)

A.4. Evaluation Team

Team Member	Role	Short Bio
Mr. Suleman Ghani	Team Lead	Suleman Ghani is a former Civil Servant of Pakistan with 36 years of senior provincial and federal leadership experience, including roles as Secretary, Ministry of Commerce and Chairman, Planning & Development Board Punjab. As Team Lead for the SNG endline evaluation, he brings deep, hands-on experience in public-sector reform and donor-funded advisory work, grounding the evaluation in practical governance and delivery realities.
Dr. Irfan Ahmad Chatha	Governance and Decentralisation Expert	Dr. Irfan is a skilled Decentralization and Governance expert with extensive experience in institutional reforms, policy development, and capacity building. As a Research Fellow at SDPI, he has been part of key projects such as drafting Pakistan's National Industrial Policy and supporting Auditor General of Pakistan's office in conducting SDG4 audit. As the Governance Expert for the SNG-II endline evaluation, he had significant contribution towards the primary data collection activities and analysis on how programme interventions shaped intergovernmental coordination, local planning and budgeting, and citizen engagement in Punjab and Khyber Pakhtunkhwa.
Junaid Zahid	M&E Expert	Junaid is a seasoned MEAL professional, adept at designing evaluation frameworks and leveraging advanced data analysis tools for sustainable development and public sector reforms. His role was to ensure that the primary data collection is according to the evaluation framework – primarily through development of survey tools, monitoring of field activities and data analysis.
Aliya Khan	Gender Expert	Aliya's advanced education, particularly from a globally ranked institution like Berkeley Law, gave her a robust analytical framework for assessing gender-sensitive governance and legal frameworks. She has 10+ years of direct, high-level experience focusing on governance-related gender

		policy and institutional frameworks. Highlights of her past work include: - Leading the Punjab Gender Parity Report (covering governance, social protection, and access to justice).
Dr. Sajid Amin Javed	PFM Expert	Dr. Sajid is a seasoned Public Financial Management (PFM) specialist with over a decade of experience in macroeconomic policies, fiscal governance, and sustainable development. He has led impactful projects on SDGs, economic recovery, and social protection at the Sustainable Development Policy Institute (SDPI), where he serves as Deputy Executive Director. Dr. Sajid's expertise includes fiscal policy reforms, evidence-based policymaking, and research on NFC Award formula. His academic rigor and government advisory roles further solidify his capacity to deliver robust PFM solutions.
Ahad Nazir	Senior Evaluation Expert	Ahad complemented this team with his expertise in strategic finance, behavioral insights, and public sector governance, ensuring a robust and comprehensive evaluation aligned with the program's objectives.
Atteq ur Rehman	Evaluation Expert	Atteq Ur Rehman is a Research Associate at SDPI, Islamabad, with an MS in Economics and strong mixed-methods capability, including quantitative and qualitative analysis using Stata/R/SPSS/EViews. As Evaluation Expert in the SNG-II endline evaluation team, he supports evaluation design and field tools, data collection and interpretation, evidence synthesis, and drafting of report-ready outputs (tables/figures and briefs), while coordinating with stakeholders for information sharing.
Dr. Sohaib Aqib	Data Analyst	Sohaib Aqib, PhD, is an economist and mixed-methods researcher with 8+ years' experience, combining quantitative analysis with qualitative analysis. As Data Analyst for the SNG-II endline evaluation he contributed towards the methodology design, sampling and tool development

		(KIIs, FGDs, surveys), Beneficiary Validation Survey and finally the data analysis.
Maheen Rehan	Data Analyst	Maheen Rehan is a Research Associate at SDPI's Governance and Reforms Unit, with a track record of data-driven policy work spanning diagnostics and indices (e.g., Pakistan's Digital Ecosystem diagnostic, Provincial Development Monitor, and the Business Climate & Investment Index). As a Data Analyst on the SNG-II endline evaluation (UNDP-FCDO), she supports both quantitative and qualitative analysis, strengthening evidence cleaning, synthesis, and triangulation for report-ready findings.
Asim Zahoor and Abdullah Khalid	Coordinators	Asim Zahoor and Abdullah Khalid served as Field Coordinators for the SNG-II endline evaluation, coordinating KIIs/FGDs/field visits, stakeholder scheduling, and on-ground facilitation across assigned locations.