

**TA 4183-PAK: Preparing the Punjab Devolved Social Services
Sector Development Program
Major Change in Scope and Increase in Technical Assistance Amount**

1. The technical assistance (TA) to Pakistan for preparing the Punjab Devolved Social Services Program (PDSSP) was approved on 26 September 2003 for \$400,000, comprising \$300,000 from the Asian Development Bank (ADB) and \$100,000 from the Government of Pakistan (GoP). The purpose of the TA was to assist the GoP to prepare the PDSSP for more efficient, equitable, and sustainable delivery of social services so that major improvements in health, education, and water supply and sanitation accrue to the poor. The TA has resulted in the formulation of the PDSSP, which consists of loans and an associated TA.
2. The associated TA will be financed by a \$20 million equivalent grant from the United Kingdom, through the Department for International Development (DFID), and will be administered by ADB. The TA will support the devolution of social sector services and will be implemented for a period of 4 years. The overall management of the TA will be by a management firm that will be recruited according to ADB's *Guidelines on the Use of Consultants* following quality- and cost-based selection procedures.
3. In response to the identified need for elaborating the program design before the program becomes effective and the first tranche is released, a major change in scope was approved for the TA on 21 January 2005 (i) to cover the additional inputs of \$225,000 from the Government of the United Kingdom, through DFID, and \$75,000 equivalent from the GoP with no increase in ADB funding; and (ii) for the administration by ADB of the proposed DFID grant cofinancing.
4. It was further observed during TA implementation that more preparatory activities are required for recruiting and activating the TA management firm. In response to a request from the GoP to provide additional grant funds to augment ongoing TA activities for this purpose, the Government of the United Kingdom, through DFID, agreed to provide £70,000 (\$115,000 equivalent) grant assistance, which will be administered by ADB. The additional funding will support additional inputs to (i) prepare for recruiting the TA management firm; (ii) plan the implementation of TA activities, particularly in the next 9 months while the TA management firm is being recruited; and (iii) provide social sector policy development inputs. The original purpose of the TA was to (i) discuss with stakeholders and recommend social sector policies that support local government capacity to improve efficiency in the delivery of social services; and (ii) design the PDSSP to help local governments improve the quality of social services, build local capacity for PDSSP delivery, and support improvement to make the social sector more efficient, equitable, and sustainable. The Planning and Development Department of Punjab is the Executing Agency.
5. On 20 July 2005, the Management approved a major change in scope to cover the additional inputs of \$115,000 equivalent from DFID and \$39,000 equivalent from the GoP with no increase in ADB funding, and the administration by ADB of the proposed cofinancing. In accordance with PAI 5.11, para. 31, the Board is notified of this approval.