

ASIAN DEVELOPMENT BANK

TAR: PAK 37202

TECHNICAL ASSISTANCE

TO THE

ISLAMIC REPUBLIC OF PAKISTAN

FOR SUPPORT FOR SUBPROGRAM 2

OF THE

PUNJAB RESOURCE MANAGEMENT PROGRAM

December 2004

CURRENCY EQUIVALENTS

(as of 26 November 2004)

Currency Unit	–	Pakistan rupee/s (Pre/PRs)
Pre1.00	=	\$0.0162
\$1.00	=	PRs61.74

ABBREVIATIONS

ADB	–	Asian Development Bank
PMU	–	Program management unit
PRMP	–	Punjab Resource Management Program
TA	–	technical assistance

TECHNICAL ASSISTANCE CLASSIFICATION

Targeting	–	General Intervention
Classification		
Sector	–	Law, economic management and public policy
Subsector	–	Public finance and expenditure management, subnational government administration
Theme	–	Governance
Subthemes	–	Financial and economic governance, public governance

NOTE

In this report, "\$" refers to US dollars.

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I. INTRODUCTION

1. The Asian Development Bank's (ADB's) country strategy and program update for Pakistan finalized in 2004 has good governance at the core of its development strategy. This emphasis is reflected in ADB's lending portfolio, with several important governance programs having been approved in the last 3 years.¹ Public resource management—which deals with the operational communication of public policies through fiscal, administrative, and political arrangements—is a key element of governance that has received increased attention in recent years, particularly in light of Pakistan's decentralization reforms initiated in August 2001. In particular, the technical assistance (TA) provided for Enhancing Capacity for Poverty Reduction and Resource Management in Punjab² and the Punjab Resource Management Program (PRMP) loan (footnote 1) initiated ADB's involvement in broadly based provincial reforms in Pakistan's largest province, Punjab.

2. The PRMP, which was designed as a cluster loan as shown in the table, incorporates reforms in development planning, fiscal and financial management, and public service delivery. The PRMP was to be implemented by means of three subprograms over 5 years, with each subprogram lasting 1 to 2 years. Subprogram 1, whose implementation began in December 2003, is currently under way, and second tranche release is expected in the first quarter of 2005.³ Subprogram 1 is progressing well. The delay in fielding the consultants financed under the TA loan was largely compensated for by expanding some work tasks financed under TA 4015 (footnote 2), by having the respective implementing agencies doing some of the research, and by providing alternative actions as proposed in the PRMP design. Subprogram 2 is to be designed and processed for approval in 2005. The Government of Punjab has requested ADB for a TA grant to help prepare Subprogram 2 of the PRMP. The TA is included in ADB's 2004 program and is consistent with ADB's country strategy and program update for Pakistan. The TA was designed during the Fact-Finding Mission fielded on 10 to 11 August 2004, and understanding was reached on the objectives, scope, effectiveness measures, and implementation arrangements.⁴ The TA framework is attached as Appendix 1.

II. ISSUES

3. **Continuity of Reform Needs to Be Ensured.** The first generation of macroeconomic reforms at the federal level in Pakistan has been largely successful, with countrywide macroeconomic indicators improving significantly during the last 2 years. However, continued effort

¹ ADB. 2001. *Report and Recommendation of the President to the Board of Directors on a Proposed Loan to the Islamic Republic of Pakistan for the Access to Justice Program*. Manila (for \$350 million, approved on 20 December 2001); ADB. 2002. *Report and Recommendation of the President to the Board of Directors on a Proposed Loan to the Islamic Republic of Pakistan for the Decentralization Support Program*. Manila (for \$300 million, approved on 21 November 2002); ADB. 2003. *Report and Recommendation of the President to the Board of Directors on a Proposed Loan to the Islamic Republic of Pakistan for the Punjab Resource Management Program Subprogram I*. Manila (for \$200 million, approved on 4 December 2003). These three programs comprise the core of this focus. Other related projects include ADB. 2002. *Report and Recommendation of the President to the Board of Directors on a Proposed Loan to the Islamic Republic of Pakistan for the Financial (Non-bank) Markets and Governance Program*. Manila (for \$266 million, approved on 5 December 2002). ADB. 2003. *Report and Recommendation of the President to the Board of Directors on a Proposed Loan to the Islamic Republic of Pakistan for the Sindh Devolved Social Services Program*. Manila (for \$220 million, approved on 12 December 2003).

² ADB. 2002. *Technical Assistance to the Islamic Republic of Pakistan for Enhancing Capacity for Poverty Reduction and Resource Management in Punjab*. Manila (TA 4015, approved on 5 December 2002).

³ The progress report for Subprogram 1 is currently being prepared. To allow proper sequencing from Subprogram 1 to Subprogram 2, the consultants financed under this TA should be fielded shortly after the release of the second tranche for Subprogram 1.

⁴ The TA first appeared in *ADB Business Opportunities* (Internet edition) on 27 September 2004.

is required to ensure that the benefits of the improved macroeconomic outlook filter down to the poorest segments of society. In this regard, provincial resource management programs have an important role to play given that key responsibilities related to poverty reduction, including social service delivery, are now largely the responsibility of local governments, with the provincial governments assuming a policymaking and monitoring role in this regard.

Program Cluster Structure and Emphasis of Program Components

Thematic Program Components and Key Result Areas	Number of Outcomes	Achievements under Subprogram	
		1	2 and 3 ^a
Component 1: Reforming Provincial Finances through Fiscal Restructuring and Financial Management		●	●
A. Strengthen Provincial Revenues	3		
B. Rationalize Provincial Expenditures	4		
C. Improve Effectiveness, Predictability, and Accountability in Financial Management	4		
Component 2: Reforming Processes and Institutions for Pro-Poor Service Delivery		●	●
A. Improve Strategic Programming of Investments for Poverty Reduction	3		
B. Restructure and Strengthen Government, Administration, and Human Resource Development	4		
Component 3: Creating Opportunities for Growth and Income Generation through Private Sector Development		●	●
A. Regulatory and Administrative Reforms for Private Sector Development and Public-Private Partnership	3		
B. Reduce Direct Public Sector Involvement in Economic and/or Commercial Operations	1		

● = core program area or key outcomes to be achieved substantially, ● = selected preparatory actions with limited achievement, ● = selected actions (finalization) to be fully achieved.

^a To be detailed toward the end of the preceding subprogram.

Source: ADB. 2003. *Report and Recommendation of the President to the Board of Directors on a Proposed Loan to the Islamic Republic of Pakistan for the Punjab Resource Management Program—Subprogram I*. Manila.

4. **Implementation Capacity Is Lacking.** Implementation capacity remains weak at all levels of government in Pakistan, and this continued weakness poses risks to the implementation of key reform policies. Subprogram 1 of the PRMP made an important start by identifying capacity-building needs in areas such as the reconciliation of accounts and planning and budgeting at the local government level. In addition, Subprogram 1 includes provisions for carrying out detailed institutional assessments of key departments like the Planning and Development Department and the Finance Department to ascertain the adequacy of their structures, systems, and procedures in light of recent administrative reforms. Institutional assessments of other provincial and local departments will be pursued to identify and implement further capacity-building needs.

5. **Fiscal and Financial Reform Agenda Is Incomplete.** Subprogram 1 of the PRMP emphasized provincial fiscal and financial reform, resulting in such actions as the abolition of low-yielding taxes, the simplification of tax structures, and the reduction of exemptions. These measures have increased revenue yields from provincial taxes by more than 12%. Studies under Subprogram 1 are aimed at introducing broadly based reforms of the taxation system; changing the tax administration to increase collection efficiencies, including the agricultural income tax; and determining and dealing with the government's contingent liabilities. The need to ensure that the

momentum generated by the PRMP is not lost and that further restructuring of key taxes takes place is urgent.

6. **Local Government Financing Mechanisms Remain Weak.** Fiscal and financial reform at the provincial level is vital to ensure the efficient and transparent flow of funds to lower tiers of government. Subprogram 1 includes a study on the transfer of resources from provincial to local governments to address revenue collection issues at the local level, and is being carried forward in consultation with the Decentralization Support Program (footnote 1). Subprogram 2 needs to continue the focus on the increased responsibilities of local governments. This can be done by helping districts to prepare poverty-focused investment strategies aimed at facilitating access to funds from the Provincial Finance Commission.

7. **Public Service Delivery Remains Weak.** Devolution has far-reaching implications for the structure and role of provincial governments. With local governments now assigned responsibility for delivering most social and productive services, provinces must restructure themselves and adopt new systems consistent with their new responsibilities for policymaking and for supporting, supervising, and monitoring the performance of agencies with which they have no direct command and control relationship.

8. **Poverty Alleviation Efforts Require Continuity.** Punjab has developed a poverty reduction strategy. Further work in this area has been supported through Subprogram 1, and a medium-term budget framework and poverty-focused investment strategy are being developed. Initial work on four district-level poverty reduction plans has also commenced. Initiatives such as collecting poverty-related data from 34 districts are now to be institutionalized as part of provincial policy.

9. **Serious Issues Remain in Human Resource Management.** Punjab's public administration is overstaffed and underpaid and is generally operating below potential. Subprogram 1 has initiated reforms in this area, including fostering recruitment on a contractual basis, introducing a gender-disaggregated civil service census to support the development of a human resource database of provincial government employees, and developing operational plans for the effective application of information technology in public sector human resource management. Furthermore, general steps have been initiated toward gradually reducing the share of expenditures on salaries and pensions. More work is required to improve the capacity and efficiency of the civil service while reducing the overall size of the government.

10. **Private Sector Needs to Be Further Developed and Encouraged.** The private sector needs to play a larger role in the province's development. Subprogram 1 initiated reforms in labor and industrial policies whereby some regulatory restrictions and other impediments to private sector development were removed. A review of labor, industrial safety, and environmental policies has been initiated, along with the development of relevant rules and implementation mechanisms. Additional reforms are needed to identify areas for capacity building to support public-private partnerships, including for contract and risk management. Other policy changes will encourage further development of small and medium enterprises in Punjab.

III. THE TECHNICAL ASSISTANCE

A. Purpose and Output

11. The purpose of the TA is to continue and further develop broadly based policy reforms in Punjab through the preparation of Subprogram 2. Policy reforms under the PRMP are divided into the three thematic program areas of (i) fiscal and financial management, (ii) processes and

institutions for pro-poor service delivery, and (iii) private sector development. The purpose is only achieved when policy reforms result in public resource management that is efficient, cost-effective, transparent, and accountable and leads to higher equity and sustainability.

12. The first output will be draft papers outlining further policy interventions for Subprogram 2 in the program areas. The second output will be enhanced capacity within the Program Management Unit (PMU) to coordinate and develop public resource management policies, systems, and procedures. The TA will emphasize extensive stakeholder participation (government, civil society groups, politicians from the provincial and local government levels, private sector, and the media) to develop Subprogram 2, and based on continuous policy dialogue, to implement and further improve the reform agenda.

B. Methodology and Key Activities

13. The TA will fund (i) domestic experts to ensure program coordination, to enhance policy analysis within the PMU, and to develop the policy reform agenda for Subprogram 2; (ii) workshops to promote participation by civil society and other stakeholders; and (iii) studies to enhance public resource management.

14. The workshops will build on the Second Punjab Development Forum,⁵ at which stakeholders will be engaged to critically scrutinize the impact and initial results of the PRMP and to further develop the policy reform agenda for Punjab. The TA will fund three follow-up workshops for representatives of all stakeholder groups that will build on proposals made during the Punjab Development Forum and should lead to policy formulation supported under Subprogram 2. Papers, summarized minutes, and results of the workshops will be made public on the PRMP web site.⁶

15. Another key activity is TA support for studies to strengthen public resource management. All studies will be linked to ongoing work under the PRMP. One study will assess the challenges facing Punjab's fiscal and financial management and the policy changes needed to strengthen provincial revenue, rationalize provincial expenditures, and improve provincial and local financial management. A second study will develop mechanisms for the strategic programming of investments for poverty reduction. A third study will develop policy options for human resource management and administrative strengthening. A fourth study will explore additional regulatory and administrative reforms for private sector development and public-private partnerships. A fifth study will look at policy options to further reduce direct involvement by the public sector in commercial activities.

C. Cost and Financing

16. The TA is estimated to cost \$312,500 equivalent in local currency costs. ADB will provide \$250,000 equivalent on a grant basis from ADB's TA funding program. The Government of Punjab will contribute the remaining local currency cost of \$62,500 equivalent in kind by providing office accommodation, counterpart staff support, and facilities for seminars and meetings. Appendix 2 presents the cost estimates and financing plan.

⁵ Such forums are planned for February or March every year to increase their impact on budget formulation in May.

⁶ <http://www.punjab-prmp.gov.pk>.

D. Implementation Arrangements

17. The executing agency for the TA will be the Punjab Planning and Development Department. Implementing agencies to be supported by the TA will include the departments of Planning and Development, Finance, Excise and Taxation, Management and Professional Development, Industries, Commerce and Investment Promotion, Labor and Manpower, and Food. Each implementing agency already has a core team, which together with the consultants for the TA will be responsible for undertaking the key activities agreed upon for their particular area. The Punjab Planning and Development Department has already established a PMU and has appointed a senior official to act as project director. The PMU has a core staff and will be assisted by the consultants recruited for the TA.

18. The TA is expected to commence by February 2005 and be implemented over a period of 18 months until July 2006.

19. All consultants will prepare inception reports on their respective work assignments within 4 weeks of the commencement of their services that will fine-tune and detail the work program and establish time-bound outputs. A full report together with a description of proposed activities and achievements for Subprogram 2 will conclude the respective assignments. The final report, which will include complete documentation of all outputs, will be submitted within 1 month of the end of the assignment.

20. Procurement must be in accordance with ADB's *Guidelines for Procurement*. No major procurement is envisaged for the TA. Supply contracts valued at \$50,000 or less may be procured using direct purchase procedures.

21. The TA will require 43 person-months of domestic consulting services. The outline terms of reference for the consultants are provided in Appendix 3. All consultants will be recruited as individuals in accordance with ADB's *Guidelines on the Use of Consultants* using arrangements satisfactory to ADB.

IV. THE PRESIDENT'S DECISION

22. The President, acting under the authority delegated by the Board, has approved the provision of technical assistance not exceeding the equivalent of \$250,000 on a grant basis to the Government of Pakistan for Support for Subprogram 2 of the Punjab Resource Management Program, and hereby reports this action to the Board.

TECHNICAL ASSISTANCE FRAMEWORK

Design Summary	Performance Indicators and Targets	Monitoring Mechanisms	Assumptions and Risks
<p>Goal</p> <p>Support good governance; sustainable, pro-poor growth; and inclusive social development in Punjab through the preparation of Subprogram 2 of the PRMP</p>	<p>Progress in attaining policy goals as defined in the <i>Chief Minister's Vision 2020</i> and in the <i>Punjab Poverty Reduction Strategy Paper</i></p>	<p>Economic and social sector statistics</p> <p>Provincial budget documents and annual development plans</p> <p>Review and evaluation reports by ADB</p>	
<p>Purpose</p> <p>Continuation and further development of broadly based policy reforms in Punjab</p>	<p>Fully-owned Subprogram 2 of the PRMP developed by October 2005</p> <p>Public resource management is more efficient, cost-effective, transparent, accountable, equitable, and sustainable by 2008</p>	<p>Active involvement of all stakeholders during the Punjab Development Forum and specialist follow-up workshops</p> <p>More public scrutiny of policy reforms</p> <p>Data and monitoring mechanisms as offered through the Program Administration Memorandum of the PRMP</p>	<p>Assumptions</p> <ul style="list-style-type: none"> • Continued strong commitment to reforms by the government • Resources are provided in a sufficient, timely, and predictable fashion <p>Risks</p> <ul style="list-style-type: none"> • Acceptance of new approaches to governance and development management by the provincial parliament and the bureaucracy • Devolution not implemented as outlined in the Punjab Local Government Ordinance
<p>Outputs</p> <p>Draft papers outlining further policy interventions under Subprogram 2</p> <p>Enhanced policy analysis capacity developed within the Program Management Unit of the PRMP</p>	<p>ADB Board consideration of Subprogram 2</p> <p>Number of meetings on policy dialogue with the government</p> <p>Number of policy workshops</p>	<p>ADB Board documents</p> <p>Meeting minutes</p> <p>Workshop documents</p>	<p>Assumption:</p> <ul style="list-style-type: none"> • Punjab government meets conditions for second tranche compliance for Subprogram 1 <p>Risk:</p> <ul style="list-style-type: none"> • Departmental resistance to further reform activities
<p>Activities</p> <p>Three specialist workshops based on identified policy areas during the Second Punjab Development Forum</p> <p>Studies on (i) further improving fiscal and financial</p>	<p>High attendance and incorporation of results in Subprogram 2</p> <p>Studies successfully completed and results</p>	<p>Workshop proceedings, workshop documents</p> <p>Studies and comments on the quality of the studies</p>	<p>Assumptions:</p> <ul style="list-style-type: none"> • Growing interest in high-quality public policy work • Government receptive to new ideas and approaches toward enhancing public resource management • Results of studies are implementable in the given time frame

Design Summary	Performance Indicators and Targets	Monitoring Mechanisms	Assumptions and Risks
<p>management</p> <p>(ii) developing mechanisms of strategic programming of investment for poverty reduction</p> <p>(iii) developing policy options for human resource management and administrative strengthening</p> <p>(iv) regulatory and administrative reforms for private sector development and public-private partnerships</p> <p>(v) policy options to further reduce direct public sector involvement in commercial activities</p>	<p>incorporated in Subprogram 2</p>		<p>Risk</p> <ul style="list-style-type: none"> • Unrealistic and poorly sequenced proposals for Subprogram 2
<p>Inputs</p> <p>\$250,000 advisory technical assistance grant</p> <p>Project coordinator/policy analyst for the Program Management Unit</p> <p>Continued dialogue with stakeholders to effectively promote new governance and development mechanisms</p> <p>Project review</p>	<p>Facilitation of public sector-civil society dialogue, e.g., through the organization of stakeholder workshops (number of workshops and seminars conducted and attendance, number of comments via the Internet on the program's web site)</p> <p>Periodic review missions</p>	<p>Regular progress reports by the Program Management Unit, provincial reforms group, and review missions</p> <p>Follow up and facilitation by nongovernment organizations and ADB staff</p>	<p>Assumptions</p> <ul style="list-style-type: none"> • Adequate and timely provision of skilled staff and facilities • Project ownership by government agencies and civil society • Active dialogue with civil society and nongovernment organization support • Continued and consistent government, nongovernment organization, and civil society support

ADB = Asian Development Bank, PRMP = Punjab Resource Management Program.

COST ESTIMATES AND FINANCING PLAN
(\$'000)

Item	Foreign Exchange	Local Currency	Total Cost
A. Asian Development Bank Financing^a			
1. Consultants	0.0	150.0	150.0
a. Remuneration and Per Diem (domestic consultants)	0.0	5.0	5.0
b. Local Travel			
c. Communication and Reports	0.0	5.0	5.0
2. Equipment and Information Technology Services	0.0	3.0	3.0
3. Training, Seminars, and workshops	0.0	60.0	60.0
4. Miscellaneous Administration and Support Costs	0.0	5.0	5.0
5. Contingencies	0.0	22.0	22.0
Subtotal (A)	0.0	250.0	250.0
B. Government Financing			
1. Office Accommodation and Transport	0.0	27.5	27.5
2. Remuneration and Per Diem of Counterpart Staff	0.0	20.0	20.0
3. Other	0.0	15.0	15.0
Subtotal (B)	0.0	62.5	62.5
Total	0.0	312.5	312.5

^a Financed by the Asian Development Bank's technical assistance funding program.
Source: Asian Development Bank estimates.

OUTLINE TERMS OF REFERENCE FOR CONSULTANTS

A. Project Coordinator/Lead Policy Analyst (domestic, 18 person-months)

1. The project coordinator/lead policy analyst will have overall responsibility for the delivery of the technical assistance (TA). The project coordinator will report through the program director of the Program Management Unit (PMU) to the Punjab Planning and Development Department. The consultant will liaise with the Punjab Planning and Development Department, the PMU, and the implementing agencies as well as with the other consultants under the TA to ensure the coordination of TA inputs. The consultant will have more than 10 years of experience in development planning, fiscal and financial management, human resource management, and policy reform and an in-depth understanding of poverty issues in Pakistan.
2. The tasks of the project coordinator will include the following:
 - (i) Supervise and assure the quality of the work inputs by the TA consultants.
 - (ii) Provide and coordinate inputs into the policy matrix for Subprogram 2 together with PMU staff, the Punjab Planning and Development Department, the implementing agencies, the TA consultants, and civil society stakeholders.
 - (iii) Develop a coordination matrix for other policy and investment programs affecting development in Punjab and ensure that synergies with other Asian Development Bank (ADB) projects are maintained.
 - (iv) Ensure that the Program Administration Memorandum for the Punjab Resource Management Program (PRMP) is updated regularly.
 - (v) Help the PMU implement Subprogram 1 and Subprogram 2. Additional responsibilities within the PMU will be assigned during TA fact-finding. Prepare and direct follow-up workshops after the Second Punjab Development Forum.
 - (vi) Provide summarized background papers on the PRMP for the PRMP web site and editorials for leading newspapers in Pakistan.
 - (vii) Help ADB staff conduct activities directly related to the TA and to public resource management.

B. Two Fiscal and Financial Management Experts (domestic, 9 person-months)

3. The fiscal and financial management specialists will jointly prepare a study that continues work under Component 1 of Subprogram 1: Reforming Provincial Finances through Fiscal Restructuring and Financial Management. The study will look at (i) strengthening provincial revenues; (ii) rationalizing provincial expenditures and (iii) improving effectiveness, predictability, and accountability in financial management.
4. The lead fiscal and financial management expert (5 person-months) will have at least 10 years of experience in developing fiscal and financial policies and will direct the work of the second fiscal and financial management expert (4 person-months).
5. The tasks of the fiscal and financial management experts will include the following:
 - (i) Prepare a study. Part 1 of the study will provide a critical analysis of achievements under Subprogram 1. Based on that analysis, part 2 of the study will develop the policy path for Subprogram 2. The experts should also analyze financial management issues pertaining to local governments. Each proposed action for Subprogram 2 will describe the advantages if the action is taken and the disadvantages if it is not taken in plain language to allow broadly based stakeholder involvement. Part 3 of the study will develop a policy vision for what should be achieved under Subprogram 3.

- (ii) Propose a set of specific actions for consideration as inputs for the policy matrix of Subprogram 2 for Component 1 together with PMU staff, the Punjab Planning and Development Department, the implementing agencies, the TA consultants, and civil society stakeholders.
- (iii) Provide support to ADB staff in relation to fiscal and financial management issues for the formulation of Subprogram 2.

C. Public Finance Expert (domestic, 4 person-months)

6. The public finance expert will prepare a study that continues work under Component 2.A of Subprogram 1: Improve Strategic Programming of Investments for Poverty Reduction. The public finance expert will have more than 5 years of sound experience in developing medium-term, poverty-focused investment strategies and in-depth knowledge of the procedures and systems of the Planning and Development Department and the Finance Department of Punjab.

7. The tasks of the public finance expert will include the following:

- (i) Prepare a study. Part 1 of the study will provide a critical analysis of achievements under Component 2.A of Subprogram 1. Based on that analysis, part 2 of the study will develop the policy path for Subprogram 2. Each proposed action for Subprogram 2 will describe the advantages if the action is taken and the disadvantages if it is not taken in plain language to allow broadly based stakeholder involvement. Part 3 of the study will develop a policy vision for what should be achieved under Subprogram 3.
- (ii) Propose a set of specific actions for consideration as inputs for the policy matrix of Subprogram 2 for Component 2.A together with PMU staff, the Punjab Planning and Development Department, the implementing agencies, the TA consultants, and civil society stakeholders.
- (iii) Provide support to ADB staff in relation to public finance issues for the formulation of Subprogram 2.

D. Public Administration Expert (domestic, 6 person-months)

8. The public administration expert will prepare a study that continues work under Component 2.B of Subprogram 1: Restructure and Strengthen Government, Administration and Human Resource Management. The public administration expert will have more than 10 years of sound administrative change management experience.

9. The tasks of the public administration expert will include the following:

- (i) Prepare a study. Part 1 of the study will provide a critical analysis of achievements under Component 2.B of Subprogram 1. Based on that analysis, part 2 of the study will develop the policy path for Subprogram 2. In addition to Subprogram 1, the expert will also revisit opportunities for departmental streamlining within Punjab. Each proposed action for Subprogram 2 will describe the advantages if the action is taken and the disadvantages if it is not taken in plain language to allow broadly based stakeholder involvement. Part 3 of the study will develop a policy vision for what should be achieved under Subprogram 3.
- (ii) Propose a set of specific actions for consideration as inputs for the policy matrix of Subprogram 2 for Component 2.B together with PMU staff, the Punjab Planning and Development Department, the implementing agencies, the TA consultants, and civil society stakeholders.

- (iii) Provide support to ADB staff in relation to public administration issues for the formulation of Subprogram 2.

E. Private Sector Development Expert (domestic, 6 person-months)

10. The private sector development expert will prepare a study that continues work under Component 3 of Subprogram 1: Creating Opportunities for Growth and Income Generation through Private Sector Development. The private sector development expert will have more than 10 years of sound experience in private sector regulatory and administrative reforms in Pakistan and substantial international experience so that he or she can draw lessons on how to reduce direct public sector involvement in economic and commercial operations.

11. The tasks of the private sector development expert will include the following:
- (i) Prepare a study. Part 1 of the study will provide a critical analysis of achievements under Component 3 of Subprogram 1. Based on that analysis, part 2 of the study will develop the policy path for Subprogram 2. Each proposed action for Subprogram 2 will describe the advantages if the action is taken and the disadvantages if it is not taken in plain language to allow broadly based stakeholder involvement. Part 3 of the study will develop a policy vision for what should be achieved under Subprogram 3.
 - (ii) Propose a set of specific actions for consideration as inputs for the policy matrix of Subprogram 2 for Component 3 together with PMU staff, the Punjab Planning and Development Department, the implementing agencies, the TA consultants, and civil society stakeholders.
 - (iii) Provide support to ADB staff in relation to private sector development issues for the formulation of Subprogram 2.