



Completion Report

PUBLIC

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Technical Assistance Number: 9788
August 2022

Pakistan: Supporting Development of Additional Financing for Social Protection Development Project

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TECHNICAL ASSISTANCE COMPLETION REPORT

TA Number, Country, and Name: TA 9788-PAK: Supporting Development of Additional Financing for Social Protection Development Project		Amount Approved: \$225,000	
		Revised Amount: Not Applicable	
Executing Agency{ies}: Pakistan Resident Mission with the support from the Public Management, Financial Sector and Trade Division	Source of Funding: Technical Assistance Special Fund (TASF 6)	Amount Undisbursed: \$71,418.06	Amount Used: \$153,581.94
TA Approval Date: 13 August 2019	TA Signing Date: 13 August 2019	TA Completion Date	
		Original Date: 31 August 2020	Latest Revised Date: 28 February 2022
		Financial Closing Date: 27 April 2022	Number of Extensions: 2
TA Type: Knowledge and support TA (KSTA)	Nature of Activity: Capacity Development, Research Development	TA Arrangement: Small-scale technical assistance Loan 3837-PAK: Social Protection Development Project – Additional Financing	

Description

Benazir Income Support Programme (BISP) is Pakistan's main social protection program since 2008. The program's primary objectives are (i) to enhance financial capacity of the poor and their dependents, (ii) formulate and implement comprehensive policies and targeted programs for the poor and vulnerable, and (iii) reduce poverty and promote equitable distribution of wealth, especially for low-income groups. BISP has remained the primary social safety net tool for the poor in Pakistan with successive governments.

To have greater impact on poverty reduction, BISP was exploring different modalities that target the improvement of human capital, including poverty graduation programs, and conditional cash transfers (CCTs), based on global best practices. The requirement for mitigating fiduciary risks in a large-scale cash transfer program is also crucial. Therefore, BISP sought ADB assistance to develop its capacity through a Policy Research Unit (PRU) and assist in the implementation of measures to reduce fiduciary risks and strengthen financial management and controls.

The Technical Assistance (TA) was approved in August 2019 to assist BISP develop a Strategic Business Plan (SBP), based on stakeholder discussions and a review of BISP processes, needs, and future plans. This SBP would be a key factor informing the next phase of ADB support for BISP. The TA objective was to work with BISP to review its policy and research needs based on SBP and develop plans for the PRU. The TA aimed to help operationalize the concept of the PRU and assist with key areas including staffing model, contract design, terms of reference, recruitment process, reporting lines, performance evaluation mechanisms, work plan, monitoring and evaluation plan, and budgeting. The TA was also expected to assist BISP with recruitment processes for the PRU and to ensure that the PRU is operational when the implementation of the additional financing for the Social Protection Development Project (SPDP) starts.

Expected Impact, Outcome, and Outputs

The expected impact of the TA was: reduced income poverty and non-income poverty for poor families in Pakistan. The TA was aligned with the following outcome: institutional knowledge and capacity for effective social protection and poverty reduction improved.

The major Outputs of the TA were:

1. Strategic Business Plan for BISP prepared;
2. PRU plan fully developed; and
3. Priority actions and plan for strengthening fiduciary systems and EFC (Error, Fraud, and Corruption) framework developed.

Implementation Arrangements

TA was initially administered by Public Management, Financial Sector and Trade Division. TA administration was delegated to Pakistan Resident Mission on 10 January 2020. Implementation was done with necessary support from

BISP, although the TA did not require logistical support and undertaking from BISP. The original TA completion date was 31 August 2020. The original recruitment plan under the TA comprised 5 person-months (PMs) of 2 international and 11 PMs of 3 national consultants. The TA was implemented over 31 months from August 2019 - February 2022. During TA implementation, 4.98 PMs of international and 6.81 PMs of national consulting services input was utilized. The TA was extended twice with the cumulative extension of 18 months with first extension from August 2020 till August 2021. A minor change in implementation arrangement and second extension was processed in August 2021 and TA was extended till February 2022. This included an additional activity by the existing TA consultant to support processing of a TA report for the additional financing and TA proposed to be funded by USAID under a co-financing agreement.

Conduct of Activities

Output 1 - Strategic Business Plan (SBP) for BISP prepared: The output was achieved which contributed to the achievement of the outcome indicator related to the submission of the SBP to BISP board for approval. Following the TA approval in 2019, one international consultant (Policy and Research Specialist) and one national consultant (Policy and Research Expert) were engaged for the preparation of the SBP for BISP and operationalizing the PRU. The strategic business plan was drafted after thorough discussions with BISP management. A one-day strategic planning workshop was also arranged for the BISP officials on 4 February 2020. Secretary BISP and team (16 officers including 5 women) participated. The SBP has served as a primary strategic document and has been effectively used in the design and development of ADB's future support to BISP through the Integrated Social Protection Development Program (ISPDP) – a gender equity (GEN) categorized program.

Output 2 - PRU plan fully developed: The output was achieved, and this contributed to achieving the second indicator of the outcome which refers to the submission of PRU operational plan to BISP board for approval. The international and national policy and research consultants also contributed towards setting up and operationalizing the PRU. The consultants developed a workplan and terms of reference for the PRU. As against the original plan, all the PRU consultants were on board by Q1 2021. The national policy and research consultant apprised the BISP management of the rationale, needs, governance mechanism, and work plan. The consultant also held detailed orientation sessions with the PRU team and briefed them about the major areas of BISP including the discussions on the study proposal as mentioned in the workplan for the first year. Of the four core team members hired one was woman.

Output 3 – Priority actions and plan for strengthening fiduciary systems and EFC framework developed: The output was achieved, which added to achievement of the third indicator related to the priority actions and plan for strengthening fiduciary systems and EFC framework and its submission to BISP Board for approval. The activities planned under this output were delayed initially due to a delay in hiring the international social protection integrity and finance specialist because of the travel restrictions caused by the Coronavirus disease (COVID-19) pandemic. The TA implementation team initially had planned for physical mission of the expert to directly interact with the concerned BISP staff. The international consultant, however, conducted desk reviews of the relevant program manuals, and conducted virtual meetings, with a focus on financial management and internal audit systems and processes of BISP. As the timing of this assessment coincided with the processing of the ISPDP, the international consultant provided advice and input for developing the financial management assessment, fiduciary systems assessment, and risk assessment and management plan of BISP for the ISPDP. This output directly contributed to the necessary due diligence for the ADB future support to BISP through the ISPDP. The consultant provided recommendations on the financial and funds flow arrangements, potential disbursement linked indicators and action plan items for financial management, audit and anti-corruption areas to help strengthen policies, strategies and implementation systems for institutionalizing controls. Consultation with development partners including Foreign, Commonwealth and Development Office (FCDO) and the World Bank were undertaken to coordinate and align support to the BISP.

Technical Assistance Assessment Ratings

Criterion	Assessment	Rating
Relevance	The TA is aligned with the government priority of expansion of the social protection initiatives and economic empowerment of poor women. BISP is the prime social protection institution and TA focus was the strengthening of the institution capacity through PRU establishment, and mitigating risks associated with weak internal control and systems through assessment and formulation of action plan to improve efficiency. The PRU is likely to carry out engendered research with enhanced focus on women empowerment. This also falls within ADB's strategy 2030 operational priorities that comprise strengthening governance and institutional capacity. The TA outcome is aligned with the government's development agenda and ADB's country partnership strategies (CPS) for Pakistan, 2015–2019 and 2021–	Relevant

Criterion	Assessment	Rating
	2025. ¹ The design of ADB future support to BISP under the ISPDP benefited from the TA and enhanced relevance through this alignment. The TA was processed to provide resources to BISP for institutional strengthening initiative that included setting up of PRU and development SPB. The TA components were designed based on the discussion with the BISP during the processing of social protection development project additional financing. The design and monitoring framework ensured the coherence and completeness in terms of the BISP's needs and the TA allocated relevant resources to meet the requirements. The TA design allowed flexibility and was subsequently extended to address the implementation delays due to the COVID-19 pandemic.	
Effectiveness	The planned TA outcome of institutional knowledge and capacity for effective social protection and poverty reduction improvement was achieved. All the three outputs under the TA, which included development of strategic business plan, planning and operationalizing the PRU and priority actions and plan for strengthening fiduciary systems, were completed and implemented, hence contributing to the achievement of the intended TA outcome, which is also aligned with the support under ADB future support to BISP under the ISPDP. While the SBP under output 1 was not separately approved by the BISP Board, the ADB program ISPDP (which implements and supports the TA outputs) was approved by the BISP Board.	Effective
Efficiency	The TA utilized 68% of the total budget. The TA was extended twice with a cumulative extension of 18 months. The first extension was due to the COVID-19 pandemic and in support of the Government's decision to help the poor and vulnerable. The priority of the BISP management was to ensure the urgent design and timely payment of emergency cash transfers to the eligible beneficiaries. During this period, many sub-projects undertaken by BISP were stalled due to the shift in the BISP's management priorities. The second extension for 6 months was due to the delay in the hiring of the consultant because of the continued travel restrictions caused by the COVID-19 pandemic. One national procurement specialist that was originally planned in the TA was not recruited because a procurement and contract management expert hired under the L3049-PAK(COL) provided the required support and technical advice. This resulted in savings under the TA.	Efficient
Overall Assessment	The TA is rated successful. All outputs were substantially completed despite the impacts of COVID-19 pandemic, which complicated and delayed the implementation. All the outputs were achieved within the budget.	Successful
Sustainability	The KSTA supported the development of the institutional strengthening activities that are being funded and implemented under the output 2 of the ongoing Social Protection Development Project – Additional Financing, a \$200 million loan funded by ADB and administered by BISP. In addition, the TA outputs have provided groundwork, strategic priorities for BISP and contributed to the successful processing of the ISPDP, a \$603 million ADB funded Results Based Lending program.	Likely sustainable

Lessons Learned and Recommendations

Design and/or planning	The TA design and objectives are relatively straightforward and easy to measure both quantitatively and qualitatively. The TA outputs included flexibility for minor changes in scope and implementation arrangement. The level of support needed by the Government was adequately met under the TA. The soundness of the TA design with CPS, flexibility in adjusting the evolving needs to the Government due to further support from the development partners (i.e. USAID additional financing) and usage of the TA deliverables for the processing pipeline is a useful take away and it is recommended that such flexibility / adaptability be incorporated in future TA designs.
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¹ ADB. 2015. [Country Partnership Strategy: Pakistan, 2015–2019](#). Manila. and ADB. 2021. [Country Partnership Strategy: Pakistan, 2021–2025 —Lifting Growth, Building Resilience, Increasing Competitiveness](#). Manila.

Implementation and/or delivery	The TA outputs were relatively simple, however, the travel restrictions and change in priorities of BISP management, being the country's primary social protection institution, during the COVID-19 pandemic delayed implementation. Similarly, the social protection and integrity specialist took more time than initially planned, due to the delay in response from the BISP as a result of virtual mode of communication. Although such events are unforeseeable, in future, the TA design phase should put emphasis on the timely coordination and provision of needed information by the Government/counterpart.
Management of staff and consultants	Three consultants, including two international and one national, were recruited. The performance of all the consultants was satisfactory. One national expert ended up being contracted until TA completion and worked on the additional activities as TA coordinator between ADB and BISP and helped in providing inputs for the additional activity related to the processing of the TA under the ADB and USAID additional co-financing for BISP. Timely contract extension and minor revision in TORs enabled the national consultant to contribute effectively to coordinating activities and further processing of TA under ADB and USAID co-financing, which otherwise would have to be done through additional TA consultants.
Knowledge building	The workplan for the first year of PRU contained proposals for research studies. The PRU team has already developed a knowledge management strategy under the ongoing social protection development project – additional financing. The operationalization of PRU is an important milestone towards enabling BISP to become self-sufficient in building a knowledge hub within and to share knowledge on best practices. It is recommended that BISP should develop a mechanism for the sustainability of PRU post ADB's project completion. The role of PRU may be further strengthened and expanded to the overall operations of BISP and its future initiatives including the future assistance from developing partners.
Stakeholder participation	The major stakeholder in the TA is BISP. Although the TA was administered by CWPF and PRM however, the commitment and support from BISP has been unwavering. The strategic business plan required consultations with many development partners and donor agencies. Effective participation of all the key as well as non-key stakeholders was essential in delivery of the TA outputs.
Partnership {and cofinancing}	Some of the outputs in the TA required thorough discussions with various Government agencies, donors, and development partners. The TA implementation team as well as the consultants were able to effectively coordinate with these institutions. This not only helped in effective knowledge sharing but also paved the way for future collaboration with regards to BISP institutional capacity building.
Replication and/or scaling up	The strategic business plan served as primary tool in designing the future projects for BISP by ADB. The document has assisted BISP and ADB in designing the BISP institutional strengthening activities and expanding conditional cash transfer programs. Achievement of at least 5 of the 12 goals identified in the SBP is being supported under the ISDPDP.
Post-TA financial resources	Not applicable
Other lessons	Not applicable

Follow-up Actions

While it is a small-scale TA, its achievements in institutional capacity building for social protection may be mentioned in the CPS final review expected to be prepared in 2025-2026. Follow up with BISP for institutionalizing periodic review and update of the strategic business planning and progress monitoring would be beneficial for enhanced sustainability. It is further recommended that ADB provides support to BISP for further strengthening financial management and internal audit systems.

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Results Chain	Performance Indicators with Targets and Baselines	Achievements
3. Priority actions and plan for strengthening fiduciary systems and EFC framework developed.	3a. EFC action plan completed and coordinated with other key development partners such as DFID and WB (2019 baseline: No action plan).	3a. Achieved. The review of existing systems and assessment of gaps in financial management and internal controls was done by the TA consultant in Q2/Q3 2021. The TA consultant developed an action plan for strengthening fiduciary systems. The financial and fiduciary assessments and related action plan on mitigating the various risk were part of the linked documents of the ISDPD processing. Priority actions included disbursement linked indicators (DLIs) and Program Action Plan items under ISDPD.

Actual Key Activities with Milestones

1. Strategic Business Plan for BISP prepared.

1.1 Consultant recruitment (Q4 2019). By Q4 2019, one international consultant (Policy and Research Specialist) and one national consultant (Policy and Research Expert) were engaged for the preparation of the strategic business plan for BISP and operationalizing the PRU.

1.2 Stakeholder consultations within BISP (Q1 2020). The stakeholder discussions were mainly carried out within Q1 and Q2 2020. One day strategic planning workshop was held on 4 February 2020 for the BISP management.

1.3 Preparation of Strategic Business Plan (Q4 2019–Q4 2020). The draft strategic business plan was prepared by Q3 2020 and shared with the key stakeholders.

1.4 Dissemination of Business Plan to key stakeholders (Q4 2021). The inputs received on the draft strategic business plan from BISP management were incorporated in the document and shared with the management in Q3 2020.

2. PRU operational plan fully developed.

2.1 Consultant recruitment (Q4 2019). The consultant for the operationalization and planning of PRU was hired by Q4 2019. All the four key PRU consultants were on board by Q1 2021.

2.2 Staffing plan developed (Q3 2020). The staffing plan was developed by the TA consultant during Q1–Q3 2020.

2.3 Operational plan and work plan fully developed (Q4 2020). The PRU operational plan and workplan were fully developed in Q2 2021.

3. Priority actions and plan for strengthening fiduciary systems and EFC framework developed.

3.1 Consultant recruitment (Q1 2021). The consultant recruitment was delayed due to COVID-19 travel restrictions. The international social protection integrity and finance specialist was on board by Q2 2021.

3.2 Review of existing systems and assessment of gaps in financial management and internal controls (Q2/Q3 2021). The review was done by the specialist during Q2 and Q3 2021 as planned.

3.3 Review progress on EFC framework action plan in collaboration with DFID and WB (Q3/Q4 2021). The desk review and assessment of BISP's internal controls and fiduciary systems and related virtual meetings with development partners was done in Q3 and Q4 2021.

3.4 Support processing of a co-financing TA regarding institutional development and internal controls strengthening (Q3 2021–Q1 2022). The national consultant on Policy Research conducted initial discussions with the BISP management and formulated TA support options. Various options were presented to the Secretary and BISP management in April 2021.

TA Management Activities

Contract TA consultants by the end of April 2021. Done.

Continue regular reporting and supervision until Q1 2022 (February 2022). Done.

Manage contracts from Q3 2019 until Q1 2022 (February 2022). Done.

Ensure the preparation of timely progress and financial reports until Q4 2021. Done.

Actual Inputs

Asian Development Bank (TASF 6): \$153,581.94

Note: BISP provided counterpart support in the form of counterpart staff, office accommodation, office supplies, secretarial assistance, domestic transportation, and other in-kind contributions.

BISP = Benazir Income Support Group, DFID = UK Department for International Development, EFC = error, fraud and corruption, FCDO = Foreign, Commonwealth and Development Office, IFAD = International Fund for Agriculture Development, ILO = International Labour Organization, KFW = Kreditanstalt für Wiederaufbau, PRU = Policy and Research Unit, Q = Quarter, UNDP = United Nations Development Programme, WB = World Bank, WFP = World Food Programme

^a Government of Pakistan, Planning Commission. 2007. *A Social Protection Strategy to Reach the Poor and the Vulnerable*. Islamabad.

Source: Asian Development Bank.

TECHNICAL ASSISTANCE COST

Table A2.1: Technical Assistance Cost by Activity
(\$'000)

Item	Amount ^a			Actual
	Original ^b	Revised ^c (1 st)	Revised ^c (2 nd)	
1. Consultants	202.0	207.0	220.0	152.8
2. Seminars, Workshops, Training	15.0	10.0	2.0	0.8
3. Miscellaneous Admin. and Support Costs	3.0	3.0	1.0	0.0
4. Contingency	5.0	5.0	2.0	0.0
Total	225.0	225.0	225.0	153.6

^a Includes ADB-financed funds and/or ADB fully administered cofinanced funds.

^b Original estimated cost in the TA report.

^c Reallocation of TA proceeds due to minor changes in implementation.

Source: Asian Development Bank estimates.

Table A2.2: Technical Assistance Cost by Fund
(\$'000)

	ADB TASF 6	Total Cost
1. Original ^a	225.0	225.0
2. Actual	153.6	153.6
3. Unused	71.4	71.4

^a Original estimated cost in the TA report.

Source: Asian Development Bank estimates.