PUNJAB RESOURCE IMPROVEMENT AND DIGITAL EFFECTIVENESS PROGRAM

Draft
Stakeholder Engagement Plan

JUNE 2020

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LIST OF ACRONYMS

ADP	Annual Development Plan
AGP	Accountant General of Pakistan
AGPb	Accountant General of Punjab
AGPR	Accountant General of Pakistan Revenues
BoR	Board of Revenue
CSO	Civil Society Organization
EPD	Environment Protection Department
ESSA	Environmental and Social Systems Assessment
ETNCD	Excise, Taxation and Narcotics Control Department
FD	Finance Department
FIA	Federal Investigation Agency
FY	Fiscal Year
GDP	Gross Domestic Product
GoPb	Government of Punjab
GRM	Grievance Redress Mechanism
GST	General Sales Tax
HR	Human Resource
ICT	Information and Communications Technology
IDA	International Development Association
IT	Information Technology
KPI	Key Performance Indicator
L&PAD	Law & Parliamentary Affairs Department
LCAP	Local Councils Association of Punjab
LEA	Law Enforcement Agency
LG&CDD	Local Government & Community Development Department
MIS	Management Information System
P&DD	Planning & Development Department
PEFA	Public Expenditure and Financial Accountability
PFC	Provincial Finance Commission
PFM	Public Financial Management
PFMRS	Public Financial Management Reform Strategy
PFMU	Public Finance Management Reforms Unit
PITB	Punjab Information Technology Department
PPRA	Punjab Procurement Regulatory Authority
PRA	Punjab Revenue Authority
SME	Small and Medium Enterprises
SOP	Standard Operating Procedure
TA	Technical Assistance
TSA	Treasury Single Account
UNISAME	Union of Small & Medium Enterprises

1. INTRODUCTION

1.1. Project Description

The **Punjab Resource Improvement and Digital Effectiveness Program** (PRIDE) is a **5-year $304 million IDA Project.** It aims to support the Government of Punjab in transforming its Public Financial Management system by facilitating a simpler and productive business process and adoption of IT systems and tools for transparent and efficient service delivery.

The Project will be **implemented by the Finance Department** (FD) of the Government of Punjab. Key implementing entities, besides the FD, will include Planning and Development Department (P&DD), Punjab IT Board (PITB), Punjab Revenue Authority (PRA), the Excise, Taxation & Narcotics Control Department (ETNCD), and the Board of Revenue (BoR).

The overall development objective of the program is to modernize institutions and systems for efficient, accountable, and transparent Public Finance Management in Punjab. The program consists of two components: **i**) a **$274 million Program for Results (PforR) component** comprising of three results areas: a) Budget formulation and fiscal risk mitigation, b) improved budget execution through innovative use of technology and c) increased own source revenue; and, **ii**) a **$30 million Investment Project Financing (IPF) component** consisting of technical assistance to support the implementing entities with tax infrastructure investment and interventions that require specialized expertise and capacity building. This **Stakeholder Engagement Plan (SEP),** developed by the Implementing Partner, **pertains to the IPF component of the program only.**

Activities under the IPF component will be implemented by the PFM Unit (PFMU) at the FD and the Program Support Unit (PSU) at P&DD. These activities will support the implementing entities with challenging interventions that require specialized technical expertise. The TA resources will also finance necessary ICT investments to embed the new business processes and specialized technical support to implement capacity-enhancing innovations, including fiscal planning, monitoring and management of fiscal risks, business process improvement, advanced revenue forecasting and tax audit techniques, database integration and change management. The environmental and social risk for the IPF component under Environment and Social Framework (ESF) is assessed as low.

1.2. Summary of Environmental Risks of the TA

Preliminary environmental risk assessment of the TA interventions indicates that the only reasonably forseeable environmental impact is attributed to the generation and subsequent sustainable disposal of e-waste, which would be generated by the replacement of ICT equipment accross Tax Collection Offices at the local government level and Tehsil Municipal Administrations (TMAs). Pakistan lacks environmental regulations and guidelines in for sustainable management of e-waste. Therefore, using the mitigation hierarchy, FD will work closely with PITB and Environment Protection Department (EPD) to develop and adopt an E-Waste Management Plan (EWMP) which will be applicable throughout this ICT life cycle to mitigate the risks and impacts of e-waste generation. The overall environmental risks associated with e-

waste generation are considered low for the TA operation.

1.3. Summary of Social Risks of the TA.

In terms of social risks of the TA component, there is a downstream probability of exclusion of individuals and businesses with low IT literacy, once the tax processes are automated and computerised, as this can lead to non-tax compliance on their part. Also, persons with disabilities can be further marginalized if the automation and computerization processes are not sensitive to their requirements. The ESSA for PforR component is cognizant of these risks, and has identified the gaps and recommends the mitigation measures. The same will be solicited while designing the TA component. Hence the social risk rating is low.

2. SUMMARY OF PREVIOUS STAKEHOLDER ENGAGEMENT ACTIVITIES

As outlined in Section 4, extensive stakeholder engagement with respect to the IPF component of the program will be executed within 90 days of project effectiveness. Stakeholder engagement will be conducted virtually due to restrictions on movement and assembly posed by the COVID-19 Crisis. However, during the project preparation and scoping phase, the Finance Department conducted multiple meetings and Key Informant Interviews (KIIs) with representatives of key government stakeholders and partner institutions which will be most significantly impacted by the TA. The aim of these KIIs/meetings was to ascertain their unique needs, apprise them about planned activities/reforms, improve project design, create synergies, and enhance the socio-environmental sustainability of the TA component of the project. The findings of these meetings and KIIs provided the basis for the development of this SEP.

The development of the SEP was also guided by two stakeholder consultations that were held at FD on November 29, 2019 and March 17, 2020 respectively, under the Chairmanship of Additional Finance Secretary (Budget). Although these consultations primarily focused on the PforR component of the program, many of their findings are of relevance to the IPF component as well due to the interconnectedness of the two components. The consultations provided an avenue to flag potential environmental and social risks posed by the program; identify mechanisms for mitigating these risks; propose measures for addressing institutional/policy challenges and identify stakeholders requiring extensive engagement in the future. These consultations were attended by representatives of FD, P&DD, PITB, PRA, BoR, ETNCD, Environment Protection Department (EPD) and the World Bank.

During these consultations, partner institutions agreed upon formulating Standard Operating Procedures (SOPs) for e-waste management in accordance with international best practices. It was agreed that these SOPs will be developed by PITB in close consultation with EPD. While EPD will be responsible for enforcement of SOPs at the e-waste disposal sites, Implementing Partners will ensure the enforcement of SOPs at every other stage of project implementation. Partner institutions also agreed to make appropriate facilitation arrangements to minimize the risk of excluding taxpayers with low ICT literacy and other disadvantaged/vulnerable segments of the population such as persons with disabilities. The need to strengthen the Grievance Redressal Mechanism (GRM) and to consolidate it under one focal institutional

(possibly PITB) was underscored and all partner institutions highlighted their capacity development needs with respect to staff ICT skills enhancement and GRM system integration.

3. STAKEHOLDER IDENTIFICATION AND ANALYSIS

With respect to stakeholder identification and analysis, ESS-10 classifies project stakeholders into the following categories: a)<u>Project-affected Parties</u> (individuals or groups that are affected or likely to be affected by the project); b) <u>Disadvantaged/Vulnerable Groups or Individuals</u>[1] (project-affected parties which are more likely to be adversely affected by the project impacts and/or more limited than others in their ability to take advantage of a project's benefits; and, c) <u>Other interested parties</u> (other individuals or groups that may have an interest in the project will be identified). During the project preparation phase, the following stakeholders have been identified under each of these categories:

3.1. Project-Affected Parties (PAPs)

a) <u>Finance Department (FD), Government of Punjab</u>
As the leading implementing partner, FD will house the PFMU which will coordinate activities with all IAs of the Program, provide technical/capacity-building support to IAs and manage the US$ 15 million business process re-engineering activities under the IPF component. Under the IPF component, FD and its employees will be significantly affected by ICT provision and digitization, may leading to loss of jobs and/or introduction of specialized jobs; capacity development interventions based on capability; organizational restructuring; development/revision of rules, regulations, and guidelines; redesigning and automation/digitization of business processes; and the development of PFM regulatory framework.

b) <u>Planning and Development Department (P&DD), Government of Punjab</u>
A key implementing partner for the program, P&DD will house the PSU which will provide day-to-day management support to the overall program. Specifically, with respect to the IPF component of the project, the PSU at the P&DD will manage US$ 15 million interventions designed to improve business continuity, monitoring and social/environmental safeguards implementation. Under the IPF component, P&DD and its employees are of direct relevance to development of sector masterplans, revision of ADP guidelines/rules; ICT provision and digitization; development/revision of rules, regulations, and guidelines; redesigning and automation of business processes; and, organizational restructuring.

c) <u>Provincial Tax Authorities (ETNCD, BoR, PRA)</u>
The three provincial tax authorities and their staff members are central to various activities under the IPF component of the project, and would need to perform high value tasks particularly: functional reviews for organizational restructuring; establishment of research and intelligence unites, implementation of improved tax audit techniques; redesigning and automation of business processes; e-services for tax

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[1] Such an individual/group is also more likely to be excluded from/unable to participate fully in the mainstream consultation process and as such may require specific measures and/or assistance to do so.

payers; and, the development/revision of rules, regulations, and guidelines for database integration. Any lack of capacity or poor performance will be detrimental to the employees

d) Punjab IT Board (PITB)

PITB and its employees will be involved in TA implementation, particularly with respect to development/implementation of SOPs for e-waste management, development of inter-operability framework to enable integration of GoPb databases and development/revision of rules/regulations to facilitate e-government and provision of e-services to taxpayers.

e) Punjab Procurement Regulatory Authority (PPRA)

PPRA and its employees will be affected by e-procurement related business process improvements/automations, and the revisions of procurement-related rules/regulations and frameworks as this may lead lesser jobs and/or introduction of specialized jobs.

f) Local Government Bodies

Local Government Bodies will be significantly affected by revisions to the PFC Award (primary source of revenue for LG) and the creation of a fund and grant system for disaster risk financing. Their views will be incorporated into TA design/implementation through engagement with the Local Governance & Community Development Department (LG&CDD) and the Local Councils Association of the Punjab (LCAP).

g) Chambers of Commerce/Industry and Business Sector Associations[2] in Punjab

Manufacturers, importers, and exporters constitute a major segment of the tax-base. They will be affected by the redesigning/automation of GoPb business processes to support e-services for taxpayers, under the IPF component.

h) Trader Associations & Unions

Traders and retailers across Punjab will be impacted by modification/automation of taxation business processes.

i) Small & Medium-sized enterprises (SMEs) represented by UNISAME

SMEs will be impacted by modification/automation of taxation business processes and they will be engaged through the Union of Small & Medium Enterprises (UNISAME).

j) Citizens of Punjab in the taxable income brackets (represented by CSOs)

The TA component will impact taxpayers at various levels, especially through automation and provision of e-services.

3.2. Disadvantaged/Vulnerable Individuals or Groups

As outlined in ESS-10, It is particularly important to understand project impacts and whether they may disproportionately fall on disadvantaged or vulnerable individuals or groups, who often do not have a voice to express their concerns or understand the impacts of a project. The following

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[2] PVMA (Pakistan Vanaspati Manufacturers Association, APTMA (All Pakistan Textile Mills Association), PAMA (Pakistan Automotive Manufacturers Association), PKI (Pakistan Kissan Itehad), ABAD(Association of Builders and Developers of Pakistan)!

disadvantaged/vulnerable individuals and groups have been identified by the consultant during the project preparation phase:

a) Implementing agencies' staff members with low ICT literacy, disabilities, language barriers etc.

Both male and female Employees/Staff at FD, P&DD, ETCND, BoR, PRA, PITB and PPRA with limited ICT literacy, disabilities or weak English language skills may not be able to benefit from and will be negatively impacted by ICT provision and automation of business processes under the TA component.

b) Women Staff members

Their views will be taken into account to ensure fair treatment, non-discrimination, and equal opportunity throughout the TA, and to prevent workplace harassment/cyber-harassment.

c) Women and transgender taxpayers and entrepreneurs

Women and transgender taxpaying citizens may not be able to reap the benefits of improved provision of e-services as a result of the TA, due to their disadvantage in terms of lower literacy levels, ICT access, ICT literacy, access to services (such as tax accountants who are mostly male) etc. They are also more susceptible to cyber-bullying, cyber-harassment, and cyber-crimes. Businesswomen and female entrepreneurs in Punjab will be represented by the Women Chamber of Commerce & Industry (Lahore Division) and South Punjab Women Chamber of Commerce & Industry (WCCI).

d) Taxpaying citizens with limited ICT access and low ICT literacy

There is a downstream probability of social exclusion of individuals with low IT literacy, which can lead to non-tax compliance on their part, leading to punitive actions by the authorities.

e) Taxpaying citizens with disabilities

Persons with disabilities can be further marginalized if digitzation of tax services are not sensitive to their requirements.

3.3. Other Interested Parties

During the project preparation phase, a number of broader stakeholders have been identified who may be interested in the project or whose/expertise work may be of direct relevance to the project. These include government departments relevant to PFM operations in Punjab, government agencies responsible for environment protection, Law Enforcement Agencies (LEAs) for cybercrime protection, finance/accounting professionals and Civil Society Organizations (CSOs) who have in-depth knowledge about social characteristics of the population and can identify potential risks as well as opportunities. 'Other Interested Parties' for the IPF component of the program are:

a) Environment Protection Department (EPD), Punjab
b) Accountant General Punjab (AGPb)
c) Accountant General of Pakistan Revenues (AGPR) Punjab Sub-office
d) Auditor General of Pakistan (AGP)
e) Punjab Law & Parliamentary Affairs Department (PL&PAD)
f) State Bank of Pakistan (SBP)
g) The Securities and Exchange Commission (SECP)
h) National Database and Registration Authority (NADRA)
i) Punjab Police Cyber Crime Unit (PPCUT)

j) Federal Investigation Agency (FIA) - National Response Centre for Cyber Crime (NR3C)
k) Tax Lawyers and Accountants
l) CSOs (such as Consumer Rights Commission of Pakistan, Network for consumer protection etc.)
m) Academia / Policy Think-tanks

4. STAKEHOLDER ENGAGEMENT PLAN

4.1. Purpose and timing of stakeholder engagement program

The stakeholder engagement program for the TA aims to: establish a systematic and inclusive approach to stakeholder engagement; build and maintain a constructive relationship with stakeholders; incorporate stakeholders' views and concerns into project design/implementation; mitigate negative social and environmental impacts of the project; and, enhance project acceptance and socio-environmental sustainability. Stakeholder engagement for the IPF component has been divided into two phases:

- Phase I (Project Preparation) : Since the TA component primarily focuses on capacity development of key GoPb implementing partners, stakeholder engagement during this phase focused on representatives of FD; Pⅅ ETNCD; BoR; PRA; PITB and PRRA through KIIs and consultations (See Section 2). EPD was also engaged during this phase to address the issue of e-waste generation. As outlined in Section 2, the purpose of stakeholder engagement during this phase was to: ascertain institutional needs; apprise GoP institutions about planned activities/reforms; improve project design; create synergies; and, enhance the socio-environmental sustainability of the TA component of the project. **Detailed consultations could not be held due to social distancing protocols, Covid restrictions and lockdown across the province.**

- Phase II (Project Implementation): Extensive stakeholder engagement will be carried out during this phase with PAPs, Disadvantaged/vulnerable groups and other interested parties. Section **4.3.** provides an exhaustive list of topics for stakeholder engagement during this phase along with the corresponding tools and techniques for conducting them. These will be further refined during project implementation and the finalised engagement topics, methods and frequencies will be presented in the revised SEP within 90 days of project effectiveness.

4.2. Proposed strategy for information disclosure

During the first quarter of project implementation, three sessions will be held in Lahore in order to: a) disclose information about the TA component of the project; b) share SEP; c) obtain feedback on SEP. These sessions will have participation from the following stakeholders:

A) PAPs and other interested parties from the following public sector institutions (including a representative sample of vulnerable or disadvantaged staff members): *FD; Pⅅ ETNCD; BoR; PRA; PITB; PRRA; EPD; AGPb: AGP; AGPR; SBP, SECP; L&PAD; NADRA; PPCUT and FIA.*

B) PAPs and other interested parties from private sector: *Trader associations/Unions; Business Sector Associations; Chambers of Commerce & Industry; UNISAME; Tax Accountants & Lawyers.*

C) Disadvantaged / vulnerable segments of population: *WCCI (South Punjab); WCCI (Lahore Division); CSOs representing disabled persons, ITC illiterates etc.*

The finalized SEP and ESCP will also be disclosed on the websites of FD and WB. The finalized stakeholder engagement timetable for the TA will also be disclosed at notice boards in the offices of all implementing partners.

4.3. Proposed strategy for consultation

The following matrix provides an exhaustive list of topics of engagement with relevant stakeholders for each of the IPF Activities. The matrix will be further refined during project implementation and the finalised engagement topics, methods and frequencies will be presented in the revised SEP within 90 days of project effectiveness.

IPF Activities	Relevant stakeholders	Topics of engagement	Method used	Location; Frequency	Responsibilities
Functional reviews to inform the organizational restructuring of FD, P&DD, PRA, ETNCD and BoR Development of sector masterplans, revision of ADP rules/guidelines; trainings to strengthen project development/ management *Development of Punjab's PFM regulatory framework and updated guidelines for their implementation.*	FD P&DD PRA ETNCD BoR	Institutional development needs Current challenges in ADP planning and budgetary allocation Development of synergies and enhancement of inter-departmental coordination	Consultative Workshop	FD, Lahore; Quarterly	PFMU; PSU; Social Specialist hired by the FD; WB Social Development Team
	AGPb AGP AGPR SBP SECP	Harmonization of federal and provincial PFM frameworks	KII; Consultative Workshop	FD, Lahore; Bi-annually	PFMU; PSU; Social Specialist hired by the FD; WB Social Development Team
Mapping, redesign, and automation of business processes to improve the efficiency, integrity and safety of PFM and tax administration operations. Business process improvements to support relevant e-services for taxpayers Development of inter-operability framework to	PITB FD P&DD PRA ETNCD BoR PPRA PPCCUT FIA ETD	Assessment of ICT requirements (equipment, software, trainings) E-waste management Cyber-security Harmonization of inter-departmental systems	Consultative Workshop	FD, Lahore; Quarterly	PFMU; PSU; Social Specialist hired by the FD; WB Social Development Team
	NADRA AGPb	Harmonization of systems			

enable integration of govt. databases (focusing on the three tax authorities) and other e-government elements.\n\nDevelopment of rules and regulations to facilitate e-government	AGP\nAGPR\nSBP\nSECP\nUNISAME\nTrade Unions\nBusiness Associations\nChambers of Commerce\nTax Accountants/Lawyers	Impact of revised business processes on the private sector\n\nMeasures to address challenges for SMEs, retailers etc. with limited ICT access and/or literacy\n\nGRM for PAPs under ESS10	Consultative Workshop	FD, Lahore; Bi-Quarterly	PFMU; PSU; Social Specialist hired by the FD; WB Social Development Team
	Vulnerable or Disadvantaged implementing agencies' staff including women, disabled persons, persons with low ITC skills	Challenges posed by automation\n\nICT training needs\n\nLanguage barriers in terms of ICT access (operating software language etc.)\n\nSpecial measures for disabled persons\n\nGRM for PAPs under ESS10	FGD	FD, Lahore; Quarterly	PFMU; PSU; Social Specialist hired by the FD; WB Social Development Team
	WCCI Lahore\n\nSouth Punjab WCCI\n\nCSOs representing vulnerable/disadvantaged population segments (low literacy, low ITC literacy, limited access to ICT, disabled persons, transgender etc.)	Digitization limitations of women and transgender persons\n\nchallenges posed by low ITC literacy\n\nchallenges posed by automation for female entrepreneurs\n\nVulnerability to cyber-crimes\n\nGRM for PAPs under ESS10	Consultative Workshop	FD, Lahore; Quarterly	PFMU; PSU; Social Specialist hired by the FD; WB Social Development Team
Technical capacity development of TPU at FD;\n\n*Creation of research/intelligence units at tax authorities and implementation of improved tax audit techniques by the PRA.*	PRA\nETNCD\nBoR\nPITB\nFD\nP&DD	Training/Capacity Development Needs Assessment	Consultative Workshop	FD, Lahore; Quarterly	PFMU; PSU; Social Specialist hired by the FD; WB Social Development Team
	Academia\nPolicy Thinktanks	Creation of synergies between GoPb institutions and academia	FGD	Annually	PFMU; PSU; Social Specialist hired by the FD; WB Social Development Team

Social assessment to assess susceptibility of the vulnerable groups to income shocks due to tax introduction	P&DD FD PRA ETNCD BoR CSOs Academics/Thinktanks	Creation of synergies between GoPb institutions and academia Obtain academic perspectives on the subject area	Consultative Workshop	FD, Lahore; Bi-annually	PFMU; PSU; Social Specialist hired by the FD; WB Social Development Team
Support to development of SOPs for e-waste management	EPD PITB FD P&DD PRA ETNCD BoR	Development of SOPs by PITB and EPD for environmentally sound and safe management of e-waste as per ESS3 requirements Assigning of implementation responsibilities Management of waste sites GRM for PAPs under ESS10	Consultative Workshop	P&DD, Lahore; Bi-monthly till SOP development	PFMU; PSU; Social Specialist hired by the FD; WB Social Development Team
Creation of a fund & grant system for disaster risk financing and support for revisions to PFC Award	L&PAD LG&CDD LCAP P&DD FD	Impact on local bodies Collaboration and coordination for increased acceptance	Consultative Workshop	FD, Lahore; Bi-annually	PFMU; PSU; Social Specialist hired by the FD; WB Social Development Team
Strengthening of M&E systems including hiring of consultants	FD P&DD WB	M&E Training/Capacity Development Needs	One-to-one meeting; KII	P&DD, Lahore; Quarterly	PFMU; PSU; Social Specialist hired by the FD; WB Social Development Team
	Vulnerable/Disadvantaged implementing agency Staff (women, disabled persons etc.)	Development of Labor Management Procedures (to ensure staff safety, health, fair treatment, non-discrimination etc.) Development of GRM under ESS2 and national law requirements	FGD	P&DD, Lahore; 1 per quarter during first 6 months of the project implementation	PFMU; PSU; Social Specialist hired by the FD; WB Social Development Team

4.4. Proposed strategy to incorporate the view of vulnerable groups

As outlined in Section 4.3, Focus Group Discussions (FGDs) will be conducted with vulnerable/disadvantaged segments of the implementing agency staff and citizenry to obtain their views

in an open and unconstrained setting. The viewpoints of disabled persons will be incorporated through engagement with leading CSOs representing the interests of disabled persons, such as the Pakistan Society for the Rehabilitation of the Disabled.

4.5. Timelines

As outlined in Section 4.3, the frequency of stakeholder engagement varies across the TA activities (quarterly, bi-annual or annual), depending on the nature/pace of TA activity design/implementation, its level of socio-environmental impact and its relevance to the stakeholders. The project will review its stakeholder engagement against the SEP bi-annually, and this review will be a part of the progress report that will be shared with the client management and the World Bank.

4.6. Review of Comments

All stakeholder engagement activities (FGDs, KIIs and consultations) will be recorded and later transcribed. Comments provided by stakeholders will be collated and reviewed following each engagement activity. These comments will be analyzed and formulated into a report which will be shared with PFMU and PSU for further action.

4.7. Future Phases of Project

Modes and frequency of reporting to stakeholders will be determined by the Team during the first quarter of project implementation after conducting initial workshops/FGDs and KIIs with the stakeholders.

5. Resources and Responsibilities for implementing stakeholder engagement activities

5.1. Resources

A full-time Social Specialist will oversee the implementation of the project SEP. In addition, the FD and P&DD will designate full time environment and social focal points at the PFMU and PSU, respectively. The project will also undertake measures for institutional capacity building including for the implementation of the SEP and will regularly organize trainings for the PFMU and PSU Staff. The World Bank staff will also provide additional training to the PFMU and PSU stuff, as and when required.

5.2. Management functions and responsibilities

The Project Director, with the assistance of Social Specialist at the Project Directorate will be responsible for implementing the SEP and will serve as the project focal point.

6. Grievance Mechanism

Multiple mechanisms are available to citizens and government staff members to file complaints related to government departments and officials in Punjab. In addition to informal grievance redressal mechanisms (written applications and verbal complaints submitted to senior officials), the Finance Department and other implementing agencies of the project primarily rely on two grievance redressal mechanisms:

a) <u>Pakistan Citizen's Portal (PCP) — National level</u>

Headed by the Prime Minister's Performance Delivery Unit (PMDU), Pakistan Citizen's Portal is an online integrated GRM which connects all government organizations at the federal and provincial level through a mobile application. Available on both Android and iOS, PCP is used for lodging complaints against any government department or functionary, seeking guidance/information regarding government procedures and to provide suggestions to the government for the resolution of any issue pertaining to the interest of the general public. User Guidelines Manual for PCP is available in both Urdu and English. As of June 2020, the PCP had 1.5 million registered members from Punjab who filed a total of 946,000 complaints, out of which 868,000 (72.5%) were resolved. The overall public satisfaction rate with the PCP is low (39%) and only 6.8% of registered PCP members are women. Despite being a robust GRM, PCP's utility to the project's disadvantaged and vulnerable stakeholders is limited due to low female coverage and because of it being a mobile app-based platform which cannot be accessed by persons with low ICT literacy.

b) <u>Chief Minister's Complaint Cell (CMCC) — Provincial level</u>

Headed by the GoPb Chief Minister's Office, CMCC is the principal GRM available at the provincial level in Punjab. Both citizens and government functionaries can file complaints to the Complaint Cell against government departments or functionaries, either telephonically (via a call center which is operated by the PITB), or digitally (via the CM Complaint Cell portal developed by the PITB). It is important to note that the CMCC departmental complaints register is not all-encompassing: among the TA implementing agencies, FD, P&DD, ETNCD and BoR are listed on it whereas PRA and PPRA are not.

In addition to the abovementioned GRMs, the Office of the Chief Secretary Punjab has also developed a one-stop online Complaints Management System with the technical support of Punjab IT Department which registers and tracks complaints digitally. Separate helplines are also managed by PPRA, BoR and ETNCD for grievance redressal and citizen assistance.

During the first quarter of project effectiveness, the efficacy of existing GRM mechanisms will be reviewed and measures will be devised to overcome the current limitations in consultation with key stakeholders. A project level GRM system (commensurate to the requirements of ESS-10) will be developed through the integration and consolidation of existing GRM systems either under the PRMRU at FD or under the PITB which already has relevant systems in place (to be finalized after stakeholder engagement). The GRM will enable stakeholders including PAPs and vulnerable/disadvantaged groups to bring their grievances and concerns to the project management's attention so that appropriate remedial measures can be formulated and adopted.

Additionally, FD will also develop and operationalise a worker specific GRM (in accordance with ESS2 and national legislative requirements) which will provide an accessible means to all TA staff/contractors to raise workplace concerns and complaints. The details of the two GRMs have been provided in the Environmental and Social Commitment Plan (ESCP).

Technical trainings and capacity development will be provided to the FD and other partner institutions to strengthen GRM, with the aim of eliminating system issues, improving staff management, systematizing/streamlining communication to grievance mechanism users, enhancing feedback/grievance recording capacity and, making the analysis/feedback processes efficient. Regular internal reports on grievances/feedback will be produced for the senior management. Reports on grievances/feedback will also be made public periodically.

7. Monitoring & Reporting

7.1. Involvement of stakeholders in monitoring activities

Stakeholder engagement activities outlined in the SEP will provide avenues for the project to obtain feedback on the effectiveness of facilitation measures and obtain suggestions for further improvement. These consultations will also be used to collect information about the project's progress in meeting the result indicators laid out in the project results framework.

Six-monthly ESCP compliance monitoring reports would be prepared and submitted by the Environment and Social specialists of the project throughout the project life. The project will also hire an independent third-party monitor to validate the compliance against ESCP and all the instruments prepared under it.

7.2. Reporting back to stakeholder groups

It is critical to follow-up with stakeholders at different stages of the project cycle. Once consultations have taken place, stakeholders will want to know which of their suggestions will be used, what risk or impact mitigation measures will be put in place to address their concerns, and how, for example, project impacts are being monitored.

The Project will use the same methods for reporting back to stakeholders that will be employed for information disclosure. Consultative workshops with stakeholders will also provide an avenue to report back on relevant programmatic activities in the previous time-period.

The six-monthly report will provide relevant information to be included in the Project ISR Reports. The project PRMRU and PSU will provide the opportunity to report back to the stakeholders on matters relating to a) Main findings from annual monitoring; and, b) Quarterly/ yearly reporting to primary (direct) stakeholders. These sessions will be open to all interested stakeholders.