



# Pakistan: Supporting Public Financial Management and Tax Policy

Project Name	Supporting Public Financial Management and Tax Policy	
Project Number	54382-002	
Country	Pakistan	
Project Status	Proposed	
Project Type / Modality of Assistance	Technical Assistance	
Source of Funding / Amount	TA: Support to Public Financial Management and Tax Policy	
	Technical Assistance Special Fund	US\$ 550,000.00
Strategic Agendas	Inclusive economic growth	
Drivers of Change	Governance and capacity development Partnerships Private sector development	
Sector / Subsector	Public sector management - Public expenditure and fiscal management	
Gender Equity and Mainstreaming	No gender elements	
Description	The TA will support the Government of Pakistan's public financial management reforms and support activities that concentrated on (i) formation of a tax revenue policy unit to separate tax policy and administration, (ii) cash management and forecasting, and (iii) design of a delegated financial authority regime.	
Project Rationale and Linkage to Country/Regional Strategy	Pakistan's economy has witnessed boom and bust cycles over the past decades, and the trend of growth has been on a downside for the past few years due to the decline in economic growth followed by the financial crisis of 2008, for which the country sought assistance from IMF at different times. The International Monetary Fund (IMF) 3-year extended fund facility (EFF) of July 2019 was the 13th program since 1988. The IMF emphasized the need to change exchange rate determination policy, increase in energy prices to reduce off-budget liabilities, increase in interest rates, and reduction in fiscal deficit. Subsequently, the exchange rate depreciated by around 40%, interest rates increased to a high of 13.25%, and electricity prices increased by 15%. The result of these measures was that the current account deficit was reduced from USD19 billion in 2017-2018 to USD3 billion in 2019-2020. However, a number of key reforms which pave the way for fiscal adjustment under the IMF program remain unaddressed.	
Impact	Macroeconomic management strengthened and more sustained and inclusive growth supported	
Outcome	Pakistan's fiscal and debt sustainability are strengthened	
Outputs	Establishment and operationalization of Tax Policy Unit in the Ministry of Finance Support in capacity building of cash management and forecasting mechanism in the Ministry of Finance Support in design of delegated financial authority regime	
Geographical Location	Nation-wide	
<b>Summary of Environmental and Social Aspects</b>		
Environmental Aspects		
Involuntary Resettlement		
Indigenous Peoples		
<b>Stakeholder Communication, Participation, and Consultation</b>		
During Project Design		
During Project Implementation		
Responsible ADB Officer	de Almeida Vieira de Sa, Rogerio	
Responsible ADB Department	Central and West Asia Department	
Responsible ADB Division	Public Management, Financial Sector and Trade Division, CWRD	
Executing Agencies	Ministry of Finance, Revenue and Economic Affairs Block Q, Pakistan Secretariat Islamabad, ICT, Pakistan 44000	
<b>Timetable</b>		
Concept Clearance	26 Oct 2020	
Fact Finding	-	
MRM	-	
Approval	-	
Last Review Mission	-	

---

---

Project Page	<a href="https://www.adb.org/projects/54382-002/main">https://www.adb.org/projects/54382-002/main</a>
Request for Information	<a href="http://www.adb.org/forms/request-information-form?subject=54382-002">http://www.adb.org/forms/request-information-form?subject=54382-002</a>
Date Generated	05 December 2020

ADB provides the information contained in this project data sheet (PDS) solely as a resource for its users without any form of assurance. Whilst ADB tries to provide high quality content, the information are provided "as is" without warranty of any kind, either express or implied, including without limitation warranties of merchantability, fitness for a particular purpose, and non-infringement. ADB specifically does not make any warranties or representations as to the accuracy or completeness of any such information.