Early Warning System

ADB-56006-002

Preparing the Improved Domestic Resource Mobilization Reform Program

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Quick Facts

Countries	Pakistan
Financial Institutions	Asian Development Bank (ADB)
Status	Approved
Bank Risk Rating	U
Voting Date	2022-08-04
Borrower	Islamic Republic of Pakistan
Sectors	Law and Government
Investment Amount (USD)	$ 0.95 million

Project Description

According to ADB, the proposed project aims to support the Government of Pakistan implement reforms that will help ensure fiscal sustainability and generate fiscal space to finance critical investments in human capital, infrastructure and poverty alleviation. The proposed program will support policy, legal, and institutional actions in three key reform areas that will help improve (i) domestic revenue mobilization, (ii) the quality of public expenditure and cash management for improving allocative efficiency of scarce public resource, and (iii) the mobilization and utilization of domestic savings and foreign direct investment (FDI). These key reform areas are closely aligned with the government's reform agenda for public sector management outlined in Pakistan's Vision 2025, the national development strategy, the medium-term budget strategy, and Asian Development Bank's (ADB) country partnership strategy for Pakistan, 2021 2025. The TRTA also aligns with the Central Asia Regional Economic Cooperation (CAREC) program, particularly the CAREC Integrated Trade Agenda 2030 and Digital Strategy 2030 that promotes trade through applying digital technologies.

The proposed transaction technical assistance (TRTA) will focus on the first and third key reform areas. The TA will, through the Ministry of Finance (MOF) and Federal Board of Revenue (FBR), support the implementation of critical tax administration, pension system, and institutional and capacity development reforms in Pakistan. The TA for the development and implementation of the second key reform area, for improving the quality of public expenditure and cash management, will be provided through an ongoing regional TA facility for Supporting Public Financial Management and Tax Policy. The TA coverage of all key reform areas ensures not only adequate support for implementation of complex reforms but also strong demonstration of ADB value-addition.

The TA grant of $950,000 will support the (i) design and implementation of detailed policy actions under the ensuing program; (ii) development of capacity in the executing and implementing agencies; and (iii) policy dialogue with the government to improve awareness and understanding of international standards, best practices, and lessons learned in the tax administration and pension system reform areas.

CONSULTING SERVICES

The TA will be implemented by 4 international and 7 national experts comprising a total of 62 person-months of consultant inputs. Consultants will be recruited on an individual basis, following the ADB Procurement Policy (2017, as amended from time to time) and its associated staff instructions. All consultants will conduct activities on an intermittent basis as required. The experts are: (i) International Reform Coordination and Change Management Specialist, (ii) International Tax Administration Specialist, (iii) International Tax and Treaty Specialist, (iv) International Trade and Investment Specialist, (v) National Reform Coordination and Change Management Specialist, (vi) National Tax Administration Specialist, (vii) National Information and Communication Technology (ICT) Expert, (viii) National Tax and Treaty Specialist, (ix) National Pension Reforms Expert, (xi) National Gender Specialist, and (xi) National Climate Change and Environmental Taxation Specialist.

Investment Description

- Asian Development Bank (ADB)

Contact Information

Responsible ADB Officer	Miyaki, Yuji
Responsible ADB Department	Central and West Asia Department
Responsible ADB Division	Public Management, Financial Sector and Trade Division, CWRD
	Asian Development Bank
Executing Agencies	Ministry of Finance

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ACCOUNTABILITY MECHANISM OF ADB

The Accountability Mechanism is an independent complaint mechanism and fact-finding body for people who believe they are likely to be, or have been, adversely affected by an Asian Development Bank-financed project. If you submit a complaint to the Accountability Mechanism, they may investigate to assess whether the Asian Development Bank is following its own policies and procedures for preventing harm to people or the environment. You can learn more about the Accountability Mechanism and how to file a complaint at: http://www.adb.org/site/accountability-mechanism/main.

Bank Documents

- Project Disclosure PDF [Original Source]
- Technical Assistance Letter [Original Source]
- Technical Assistance Report [Original Source]

Other Related Projects

- ADB-56006-003 Pakistan : Improved Resource Mobilization and Utilization Reform Program, Subprogram 2