



Stakeholder Engagement Plan

Pakistan Raises Revenue Project (PRRP) Additional Financing

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List of Abbreviations

AEES	Automated Entry-Exit System
BID	Basic Information Document
BMI	Border Management Initiative
BPM	Business Process Mapping
BPR	Business Process Re-engineering
BTB	Broadening of Tax base
BOR Punjab	Board of Revenue Punjab
CPDI	Center for Peace and Development Initiatives
CRM	Customer Relationship Management
CSOs	Civil Society Organizations
DLI	Disbursement Linked Indicator
DOT	Directorate of Training
EMS	Environmental Management Specialist
EPA	Environmental Protection Agency
ESCP	Environmental and Social Commitment Plan
ESF	Environmental and Social Framework
ESFP	Environment & Social Focal Person
ESMP	Environmental and Social Management Plan
ESS	Environmental and Social Standards
EWMP	E-Waste Management Plan
FBR	Federal Board of Revenue
FGD	Focus Group Discussion
GDP	Gross Domestic Product
GRC	Grievance Redress Committee
GRM	Grievance Redress Mechanism
GST	General Sales Tax
GTAS	Global Travelers Assessment System
HR	Human Resource
ICT	Information and Communications Technology
IPMU	Integrity & Performance Management Unit
IMC	Integrity Management Cell
IRS	Inland Revenue Service
ISR	Implementation Status Report
IT	Information Technology
KCCI	Karachi Chamber of Commerce and Industry
KICT	Karachi International Container Terminal
KII	Key Informant Interview
LTO	Large Taxpayers Office
MoIB	Ministry of Information and Broadcasting
MoU	Memorandum of Understanding
MVT	Motor Vehicle Tax
NADRA	National Database and Registration Authority
NCSW	National Commission on Status of Women
NTN	National Tax Number
PAI	Project Area of Influence
PBC	Pakistan Business Council
PCA	Post Clearance Audit
PICT	Pakistan International Container Terminal
PDOs	Project Development Objectives

PMU	Project Management Unit
PNRA	Pakistan Nuclear Regulatory Authority
PR	Public Relations
PRA	Punjab Revenue Authority
PRAL	Pakistan Revenue Automation Limited
PRRP	Pakistan Raises Revenue Project
QICT	Qasim International Container Terminal
RIAC	Remote Image Analysis Center
RTO	Regional Tax Office
SAPT	South Asia Pakistan Terminals
SEP	Stakeholder Engagement Plan
SDPI	Sustainable Development Policy Institute
SMS	Social Management Specialist
SBP	State Bank of Pakistan
SRB	Sindh Revenue Board
SECP	Securities and Exchange Commission of Pakistan
SSTR	Single Sales Tax Return
STRIVe	Sales Tax Real-Time Invoice Verification System
TDAP	Trade Development Authority of Pakistan
TFA	Trade Facilitation Agreement
UNISAME	Union of Small and Medium Enterprises
VAT	Value-Added Tax
WB	World Bank

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Executive Summary

The Federal Board of Revenue (FBR) is implementing the Pakistan Raises Revenue Project (PRRP) to increase domestic revenue by expanding the tax base and improving compliance. The project's environmental and social risks are classified as moderate, influenced by factors like exclusion risks and challenges in managing e-waste.

PRRP consists of two components: Component 1 aims to simplify tax administration, enhance transparency, implement risk-based inspections, expand e-services, and develop FBR's institutional efficiency. Component 2 focuses on upgrading IT/ICT equipment along with software and hardware infrastructure across FBR offices installation of scanners at ports. The project is being extended and additional financing of PRRP has been agreed to provide more funds primarily for improving the systems and infrastructure for Pakistan Customs mainly through ICT equipment and Digital Enforcement Stations in Balochistan and Sindh.

The Stakeholder Engagement Plan (SEP), aligned with World Bank standards and national laws, ensures effective stakeholder involvement throughout the project. PRRP activities are limited to existing FBR office buildings without new land acquisition or construction, thus minimizing environmental impact.

The Environmental and Social Management Plan (ESMP) addresses social impacts such as challenges for less IT-literate taxpayers and those with disabilities. Stakeholder consultations have been ongoing since 2018-19, with updates in 2022-23 to enhance effectiveness and inclusivity in the taxation system. The SEP incorporates feedback, recommendations, and strategies to engage all stakeholders meaningfully.

Initially the SEP for PRRP was developed in 2019 which was updated in 2023 with more details on engagement strategies. In 2025, the SEP has been updated with additional information on continued implementation of its stakeholder consultation methodologies as well as including measures to implement SEP regarding the additional financing of PRRP. Significant progress was made on project interventions, particularly under Component 1 with the Single Sales Tax Return (SSTR), and under Component 2 with the provision of IT/ICT equipment and the Automated Entry Exit System (AEES). The updated SEP ensures regular consultations with vulnerable taxpayers and other interested parties to keep them informed about the project's progress and potential social impacts. It also includes an updated Grievance Redress Mechanism (GRM) and disclosure methods for stakeholders to record and document grievances related to PRRP interventions, both internally and externally.

1. Introduction

This section provides necessary details about the Federal Board of Revenue and the Pakistan Raises Revenue Project.

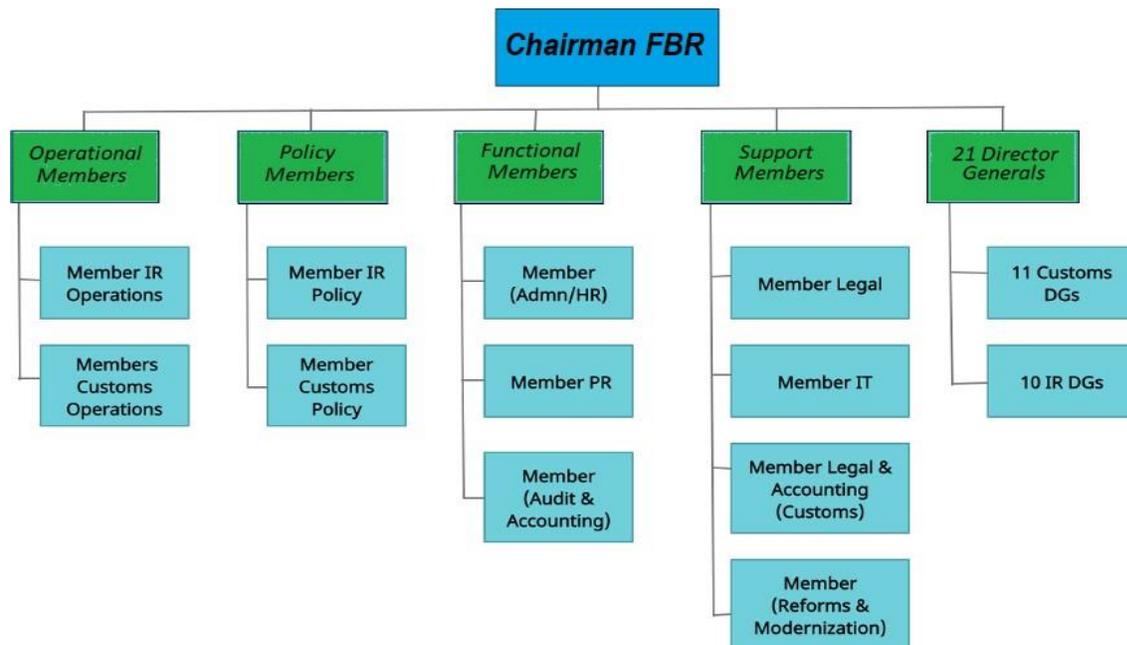
1.1. Federal Board of Revenue - An overview

The Federal Board of Revenue (FBR) is the central agency of the Government of Pakistan that is responsible for the administration of taxes in the country. The board was established in 1924 as Central Board of Revenue. In July 2007, the "FBR Act" was passed whereby the Central Board of Revenue was renamed to the present-day Federal Board of Revenue and placed under the Revenue Division of the Ministry of Finance. The FBR's primary objectives are to implement government policies related to taxation, collect revenue on behalf of the government, and ensure tax compliance, and provide necessary guidance to taxpayers to fulfil their tax obligations.

FBR not only administers tax laws but also plays a vital role in developing tax policies in Pakistan. It conducts research, analyzes tax laws, and recommends reforms to the government. Additionally, FBR investigates tax crimes, money laundering, and regulates tax collection from individuals and businesses, combats tax evasion, administer tax laws on behalf of the Government of Pakistan.

FBR operates through headquarter located at Islamabad and regional offices located in major cities across Pakistan. The tax administration system is divided into three main categories: Inland Revenue Service and Pakistan Customs

Figure 1: Organogram¹ of FBR



¹ <https://www.fbr.gov.pk/organizational-chart/131166> accessed 06-08-2024

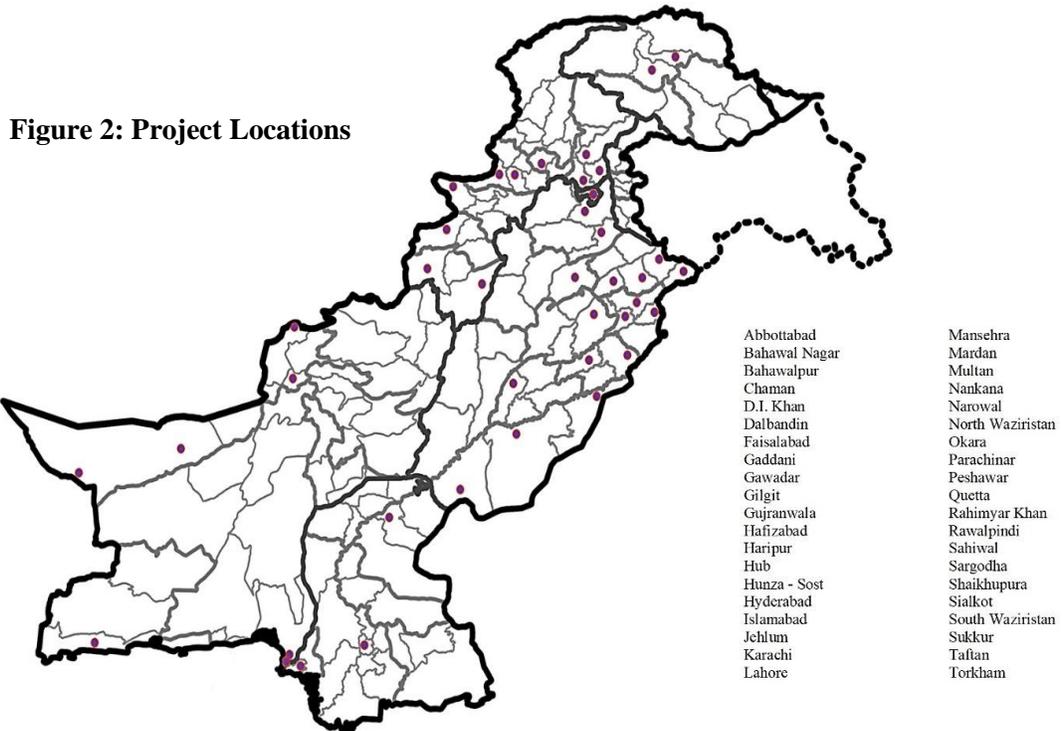
1.2. Project Description

Pakistan Raises Revenue Project (PRRP) is a six-year² project with no major civil works involved. PRRP does not require land acquisition, or displacement. Social risks, like exclusion and labor issues, are moderate, while environmental risks focus on e-waste management. The project has been extended to include additional financing for Digital Enforcement Stations as a major investment for improving the operations of Pakistan Customs.

PRRP is subdivided into two components.

Component 1 includes actions for simplifying tax procedures and enhancing transparency, implementing Risk-Based Inspections, Post-Clearance Audits (PCA) in Customs and expansion of E-services for taxpayers and traders, and institutional development of FBR for efficiency and accountability.

Component 2 of PRRP focuses on provision of IT/ICT equipment in FBR offices throughout Pakistan. This involves upgrading the Data Center and integrating databases. The project will provide computers, printers, copiers, scanners, networking components like switches, routers, servers, etc. The additional financing will be utilized for upgrading the IRS and Pakistan Customs' operations and systems. This will include Strengthening of Tax Administration, ICT system upgrading, improving processes and upgrading the existing systems. Strengthening of processes of Pakistan Customs will be a major activity under the additional financing. One of the major activities under additional financing will be the creation of 16 fully equipped Digital Enforcement Stations and Balochistan Checkpoints where minor civil works will be involved.



² Initially five-year project (2019-2024)

1.3. Potential Social and Environmental Risks

As per the initial assessment³, Pakistan Raises Revenue Project was expected to generate both environmental and social impacts. Most of the identified environmental risks were related to the management and disposal of electronic waste (e-waste) generated as part of the project activities. E-waste is expected to be generated when ICT equipment will be provided in Inland Revenue Service (IRS) and Pakistan Customs offices across Pakistan. To reduce and mitigate the risks and impacts of e-waste, FBR has developed an E-Waste Management Plan (EWMP) and it is applicable throughout the ICT lifecycle. This Plan considers environmental risks to FBR staff, labor issues associated with e-waste handling, and community health and safety issues and the program staff has started the implementation of EWMP as per standard guidelines of ESMP-WB.

In view of additional financing for creation of fully equipped Digital Enforcement Stations for Pakistan Customs, minor civil works will be involved. The ESMP has already addressed the environmental and social impacts of the civil works in detail and mitigations have been included in the ESMP. No land acquisition is involved.

Related to the social issues of the project relate to the exclusion of low IT literate taxpayers, vulnerable groups such as women, and taxpayers with a disability as a result of end-to-end automation, a survey of women employees of FBR was conducted and recommendations were shared with World Bank. Tax accountants, hired by taxpayers for filing their tax returns are stakeholders.

1.4. Implementation Arrangement

This SEP is being implemented in FBR offices, including offices of Inland Revenue System and Pakistan Customs. The additional financing will strengthen the tax administration in the country and will also have activities at offices of Pakistan Customs at borders to establish fully equipped Digital Enforcement Stations. This section presents the roles and responsibilities of various stakeholders in implementing the SEP. The following structure for institutional arrangements was proposed and implemented as per SEP.

1.5. Project Management Unit

A dedicated Project Management Unit (PMU) was established under the Program Office of FBR to assist in the implementation of the project activities. FBR appointed a Project Director and project team along with support staff members as per project requirements. Consultants/Specialists were hired for technical assistance. The PRRP team works under the supervision of Member R&M.

³ SEP Assessment Meetings held during 2018-2020

2. Stakeholder Engagement Plan - SEP

2.1. Objectives

The objective of SEP is to define a Plan for stakeholder engagement, throughout the project lifecycle. The SEP outlines the ways in which the project team will communicate with stakeholders and includes a mechanism for recording and addressing the concerns/ feedback regarding the project activities as under:

- Establishing a systematic approach to stakeholder engagement that encompasses identification of stakeholders and building a constructive relationship with them.
- Assessing the level of stakeholder interest and support for the project, and to enable stakeholder views to be considered in project design
- Promoting and providing means for effective, inclusive engagement with project stakeholders throughout the project lifecycle
- Ensuring that appropriate project information on environmental and social risks and impacts is disclosed to stakeholders in a timely, understandable, accessible, and appropriate manner

2.2. Resources

A budget of PKR 22.039 million was set for social and environmental compliance, with PKR 10.140 million designated for training. Stakeholder engagement is being managed by the Social Management Specialist (SMS) under the Project Director and Additional Director (Coordination & Internal Communication).

2.3. Social Management Specialist

The SMS operates within the PMU at FBR Headquarters, overseeing the overall implementation and compliance of SEP. Responsibilities includes developing guidelines and procedures in line with ESS10, internal monitoring, and progress reporting on SEP compliance. The SMS collaborates closely with line departments through the PMU to address concerns regarding project interventions.

2.4. Roles and Responsibilities of Social Management Specialist

The Social Management Specialist (SMS) operates within the PMU at FBR Headquarters, overseeing the overall implementation and compliance of SEP. Responsibilities of SMS include developing guidelines and procedures in line with ESS10, holding consultation sessions with stakeholders, coordinating various sections of FBR for engaging stakeholders, internal monitoring of SEP implementation, and progress reporting on SEP compliance. The SMS collaborates closely with stakeholders through the PMU to address social concerns regarding project interventions. SMS is also the custodian of grievance redress mechanism to receive, record and process complaints for final decision.

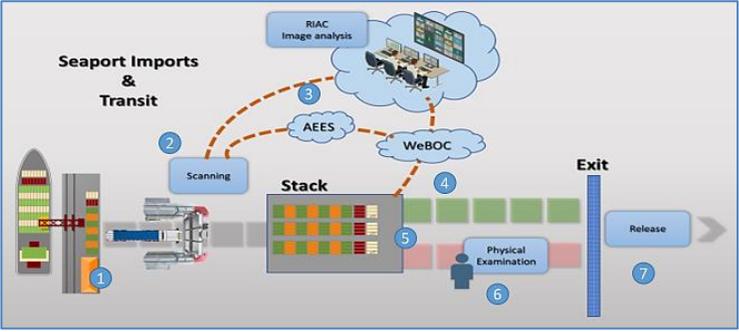
2.5. Current Status of SEP Implementation

The following Table summarizes the status of implementation of SEP, following the previous versions of SEP.

Table 1: Implementation of SEP - Project Activities and Current Status
(PMU /Coordination Team and SocialManagement Specialist)

Activities	Current Status of Activities															
Interviews with interested and affected parties	<ul style="list-style-type: none"> A number of interviews have been conducted by PRRP. Interviews of tax consultants, tax lawyers, individual tax return filers, workers engaged in e-waste disposal, and scrap dealer have been conducted. Interviews of women taxpayers are conducted online in July 2024. 															
<p>Survey of women employees of FBR</p> <p>Online Survey conducted</p> <p><i>15th Nov, 2023 to 26th Dec, 2023</i></p>	<ul style="list-style-type: none"> Within 42 days of online survey, a total of 150 responses were recorded <table border="1" data-bbox="610 737 1295 911"> <thead> <tr> <th>FBR wing/Formation</th> <th>No of responses</th> <th>Percentage</th> </tr> </thead> <tbody> <tr> <td>Inland Revenue</td> <td>98</td> <td>65.33%</td> </tr> <tr> <td>Pakistan Customs</td> <td>42</td> <td>28%</td> </tr> <tr> <td>FBR Headquarter</td> <td>10</td> <td>6.66%</td> </tr> <tr> <td>Total</td> <td>150</td> <td>100%</td> </tr> </tbody> </table> <p>Conclusions:</p> <ol style="list-style-type: none"> Online surveys are valuable for assessing working conditions and gathering staff opinions and suggestions, particularly in large organizations like FBR. Women employees have positively received the social survey conducted by PRRP. Women employees FBR offices are ready to provide their inputs for the professional development of FBR as an organization contributing to national development. Women employees recognize themselves as important component of FBR human resource and willing to contribute their skills for reforms. Every FBR office has different set of facilities and working conditions available for women employees. Some offices lack day care facilities, others lack hygienic toilets, etc. Very few offices have reported biased opinion towards women employees regarding allocation of daily work. In such offices gender gap could strengthen more with the passage of time which should be dealt timely. Creation of gender balanced environment and short trainings on this subject are essential. Majority of the women employees have pointed out the transport issue. Travel between residence and office takes quite a long time and requires expenditure which is difficult in ever increasing inflation. Majority of women employees enjoy appreciation of their work contribution and sharing their opinion on official matters. This shows that work contribution by all should be encouraged. A number of respondents have informed that job flexibilities for work-life balance are not available which sometimes create dissatisfaction among women employees for not having appropriate time for their personal life. Occasional overtime by women employees further aggravates this situation. A uniform for women employees has been suggested IT equipment is not available to all women employees. Where available, IT infrastructure needs to be improved and new equipment to be provided on equitable basis. <p>Recommendations</p>	FBR wing/Formation	No of responses	Percentage	Inland Revenue	98	65.33%	Pakistan Customs	42	28%	FBR Headquarter	10	6.66%	Total	150	100%
FBR wing/Formation	No of responses	Percentage														
Inland Revenue	98	65.33%														
Pakistan Customs	42	28%														
FBR Headquarter	10	6.66%														
Total	150	100%														

	<ul style="list-style-type: none"> • FBR may continue such surveys on regular basis to get insights on the issues of women employees. • FBR needs to provide necessary office facilities to women employees in every FBR office across Pakistan. • FBR to further improve the working environment for women employees in its offices. For this purpose, short trainings on this subject including sessions such as behavioral stability, social responsibilities, professional communication with colleagues, etc. • Ensure provision of IT equipment, office facilities, training, etc. to women employees • FBR may look into the transport issue and provide transport to women employees starting with those offices where possible. • Job flexibilities may be provided to women staff especially when they work overtime or on off days. • Administration/HR Department should update the list of women employees with official emails and phone numbers. The list should be updated on quarterly basis.
Awareness sessions on the GRM of FBR	8 orientation sessions of 139 trainees of 55 FBR offices on GRM have been conducted. More sessions are planned under Additional Financing for involving the more stakeholders from Pakistan Customs.
Dissemination of GRM to FBR field formations	<p>The GRM has been disseminated to FBR field formations through following:</p> <ul style="list-style-type: none"> • During 8 training workshops on E&S compliance 139 staff members from FBR field formations directly received documents as well as training on implementation of GRM. • Emails sent to field formations containing attachments about GRM and templates along with guidelines on implementation of GRM. Emails contained correspondence links for recording grievances and seeking further guidance on resolution of grievances. • The GRM will be disseminated to new offices under the additional financing.
<p>Development of Single Sales Tax Return, SSTR</p> <p>May-September 2024: Consultation meetings</p>	<p>Mar 2023 – June 2024 World Bank, PRA's, Telecom Sector, PRAL:</p> <ul style="list-style-type: none"> • 10 One-to-One Sessions with Punjab Revenue Authority • One-to-One Sessions with Telecom Companies (in 2023-2024) • Demonstration Sessions of Single Sales Tax Return with PRA/Telcos/World Bank (2022-2024) <div data-bbox="597 1255 1295 1764" style="text-align: center;"> </div> <p style="text-align: center;">Figure 3: Sales Tax Collection Agencies in Pakistan</p> <p>Tax Round table Meetings with PRAs, PRAL (2022-2024)</p> <ul style="list-style-type: none"> • Demonstration Session with Provincial Revenue Administrations (in 2022-2024)

<p>by Program Office for Demonstration sessions on SSTR to Internal & External Stakeholders</p>	<ul style="list-style-type: none"> • Technical sessions with PRAs to finalize respective Change Request Forms (in 2023-2024) • 4 consultation meetings for demonstration sessions were conducted with internal stakeholders; • 4 demonstration sessions with FBR internal staff • 2 consultation meetings for demonstration of SSTR were conducted with following stakeholders; • 1 session with LTO Karachi was conducted and following stakeholders attended the session • LTO Office Karachi • Bank Islami • State Life Insurance Corporation of Pakistan • Pakistan Business Council Karachi • Meetings with Muslim Commercial Bank Lahore • Meetings with Oil & Gas sector
<p>Consultation with Vulnerable groups</p>	<p>21 September 2023</p> <ul style="list-style-type: none"> • Pakistan Society for Rehabilitation of Disabled (Concerned with disabled taxpayers) <p>25 September 2023</p> <ul style="list-style-type: none"> • National Commission on Status of Women (NCSW), Islamabad to involve NCSW in PRRP with respect to obtaining the views and suggestions of NCSW pertaining to the women taxpayers <p>26 September 2023</p> <ul style="list-style-type: none"> • Ministry of Human Rights, Government of Pakistan, Islamabad • Council on Rights of Persons with Disabilities (CRPD), Islamabad
<p>Installation of AEES</p> <p>Under Automated Entry Exit System-AEES of PRRP, X-ray scanners will be installed on 4 seaports and 5 International airports of Pakistan.</p>	<p>Seaports of Pakistan</p> <ol style="list-style-type: none"> 1. South Asia Pakistan Terminals (SAPT), Karachi 2. Pakistan International Container Terminal (PICT) 3. Karachi International Container Terminal (KICT) 4. Qasim International Container Terminal (QICT) <p style="text-align: center;">Figure 4: An illustration of AEES</p>  <p>International Airports of Pakistan</p> <ol style="list-style-type: none"> 1. Jinnah International Airport, Karachi 2. Allama Iqbal International Airport, Lahore 3. Bacha Khan International Airport, Peshawar 4. Multan International Airport
<ul style="list-style-type: none"> • FBR issued notification dated 27-11-2023, for implementation of Automated Entry 	<ol style="list-style-type: none"> 1. Additional Collector Appraisement, Port Qasim 2. Additional Collector, Appraisement (East), Karachi 3. Additional Collector, Appraisement (West), Karachi 4. Additional Collector, Appraisement (SAPT) Karachi 5. Additional Collector (HQ), Enforcement Karachi

<p>Exit system (AEES). FBR has notified the list of focal persons to perform tasks assigned in their respective Collectorates/ Directorates. The assigned tasks also include holding stakeholder consultations and acting as focal points for such discussions.</p>	<ol style="list-style-type: none"> 6. Additional collector Airport (Traffic), Karachi Airport 7. Additional Collector Airport (Traffic), Multan Airport 8. Additional Collector Airport (Traffic), Lahore Airport 9. Additional Collector Airport (Traffic), Peshawar Airport 10. Additional Collector Airport (Traffic), Islamabad Airport 11. Additional Director (Ha), Transit Trade HQ Karachi
<p>In-house Stakeholder meetings:</p> <p>i. With reference to AEES</p> <p>i. With reference to GRM (PR Wing)</p>	<p>February to September 2024</p> <ol style="list-style-type: none"> 1. First consultation meeting was held on 6th February 2024 was conducted with Second Secretary Customs, FBR Headquarters to start the process for identification of stakeholders to be engaged for installation of AEES. 2. 2nd consultation meeting was held on 29th February, 2024 was conducted with Chief Customs (Reforms & Modernization). 3. To discuss future plan/strategy for stakeholder engagement of AEES, a meeting with Chief Customs (R & M) was held on 29th June 2024. The meeting objective was to get updated on the procedural guidelines for pre-implementation and operational phase of AEES for all the stakeholders to be engaged in installation of scanners with respect to environmental and social concerns of the stakeholders. 4. Meeting with Project Director AEES held on 5th July 2024 <p>List of stakeholders was identified and a plan for engagement of future stakeholders was chalked out.</p> <p>March 5, 2024</p> <ul style="list-style-type: none"> • Consultation with <u>Chief PR-Wing</u> was held to discuss the PRRP's grievance redress mechanism and the CRM at PR-FBR. • <u>Secretary Compliance-PR Wing</u> outlined two types of complaints received: under Section 7 of the FBR Act 2007 and complaints from the Prime Minister Delivery Unit. • <u>Secretary-Tax Education-PR Wing</u> explained the following three-tier complaint redress system, ensuring prompt responses to taxpayer concerns: <ul style="list-style-type: none"> • Tier 1: FBR helpline can be reached through phone (051-111-772-772) and email (helpline@fbr.gov.pk). Response time at this tier is 2-3 minutes/call (Mostly related to tax return). The helpline uses an international standard CRM system to promptly resolve taxpayer issues and educate them on using the Income Tax portal (Iris) and ensuring timely resolution of taxpayer grievances, handling approximately 60-70 complaints per 1000 women taxpayers. • Tier 2: If the complaint is pertaining to legal issues that is resolved by PR team. Response time at this tier is 10 minutes to 1 hour depending upon the nature of complaint. • Tier 3: Complaints forwarded to this tier are mostly related to software and

<p>ii. Feedback from FBR Field Formation</p>	<p>forwarded to IT section.</p> <p>4th July 2024: Consultation Meeting Highlights:</p> <p>The consultation meeting at RTO Abbottabad commenced with an overview of the environmental screening process for IT equipment provided under the PRRP.</p> <p>The Social Specialist then presented the Stakeholder Engagement Plan for PRRP.</p> <p>This engagement is crucial for incorporating stakeholder input into the PRRP interventions and ensuring timely documentation and resolution of concerns through a formal Grievance Redress Mechanism (GRM).</p> <p>Following documents were disseminated to the participants of the session:</p> <ul style="list-style-type: none"> • A template for GRM register to receive and record grievances. • Detailed guidelines for persons responsible for keeping the GRM register. <p>The Social Specialist introduced the GRM form, register, and guidelines, explaining how to record and manage grievances from both internal and external stakeholders. As an example, the RTO staff raised concerns about the inequality in IT equipment distribution, noting that officers receive superior equipment while staff are left without. This perceived inequity contributes to feelings of professional inferiority and adversely impacts staff performance and morale. It is essential to record and address such grievances promptly to maintain a positive work environment and avoid dissatisfaction.</p>
<p>Preparation of SEP compliance reports</p>	<p>The Biannual Environmental and Social reports cover social compliance of PRRP. So far, 7 biannual reports have been prepared and submitted to the World Bank.</p>

3. Regulations and Requirements for Stakeholder’s engagement

This section lays out the engagement requirements of the key stakeholders.

3.1. National Requirements

The PMU is committed to consult all relevant stakeholders before undertaking any significant project activities. In this regard, the SMS is responsible to conduct consultations with all key stakeholders before finalization of the SEP implementation reports.

3.2. World Bank Requirements

The World Bank’s Environmental and Social Standard (ESS) 10 deals with stakeholder engagement and information disclosure. The document states that “...ESS recognized the importance of open and transparent engagement between the Borrower and project stakeholders as an essential element of good international practice. Effective stakeholder engagement can improve the environmental and social sustainability of projects, enhance project acceptance, and make a significant contribution to successful project design and implementation.”

ESS 10 in the scope of application clearly states that “it applies to all projects supported by the Bank through Investment Project Financing. The Borrower will engage with stakeholders as an integral part of the project’s environmental and social assessment and project design and implementation, as outlined in ESS1.”

The stakeholders in ESS 10 are defined as either those who are affected or likely to be affected by the project or what the document refers to as “other interested parties.” Project-affected parties are normally those whose environment, health, security, livelihoods, etc. would be directly affected by the project. The “other interested parties” refers to those individuals, groups, or organizations with an interest in the project, but who are not directly affected. A detailed stakeholder analysis follows in Section 4.

ESS 10 also lays down the following process of stakeholder engagement as:

- (i) stakeholder identification and analysis; (ii) planning how the engagement with stakeholders will take place; (iii) disclosure of information; (iv) consultation with stakeholders; (v) addressing and responding to grievances; and (vi) reporting to stakeholders.

4. Stakeholder Identification and Analysis

Stakeholders⁴ include those who are clearly and unquestionably affected by the project and those who do not experience direct impacts, but have an interest in how the project proceeds.

4.1. Stakeholder Engagement Strategy: Understanding and Collaboration''

For meaningful and substantive engagement, it is necessary to determine who the stakeholders are and understand their needs and expectations for engagement, as well as their priorities and objectives for the Project. This information will then be used to tailor engagement to each type of stakeholder. As part of this process, it is particularly important to understand how each stakeholder may be affected – or perceives they may be affected – so that engagement can be modified accordingly.

The involvement of the stakeholders is essential for the success of the project to ensure smooth collaboration between project staff, all types of stakeholders, local communities and to minimize and mitigate environmental and social risks related to the proposed project activities. The project stakeholders are defined as individuals, groups, or other entities who:

- a) Are impacted or likely to be impacted directly or indirectly, positively or adversely, by the Project (also known as ‘affected parties’) and
- b) May have an interest in the Project (‘interested parties’). They include individuals or groups whose interests may be affected by the Project and who have the potential to influence the Project outcomes in any way.

4.2. Methodology

Following best practice approaches, the project will apply the following principles for stakeholder engagement:

- a) **Openness and Life-Cycle Approach:** public consultations for the project(s) will be arranged during the whole project life-cycle, carried out openly, free of external manipulation, interference, coercion, or intimidation;
- b) **Informed Participation and Feedback:** information will be provided to and widely distributed among all stakeholders in an appropriate format; opportunities are provided for communicating stakeholders’ feedback, for analyzing and addressing comments and concerns;
- c) **Inclusiveness and Sensitivity:** The participation process for the projects is inclusive. Equal access to information is provided to all stakeholders. Sensitivity to stakeholders’ needs is the key principle underlying the selection of engagement methods. Special attention is given to vulnerable groups, in particular women and persons with disabilities and elderly, and the cultural sensitivities of diverse ethnic and religious minority groups and those living in remote or inaccessible areas that may require special engagement efforts to ensure their equal representation in consultation and decision-making process associated with the project.

⁴ GN4.3, For the purpose of this ESS, “stakeholder” refers to individuals or groups who: (a) Are affected or likely to be affected by the project (project-affected parties); and (b) May have an interest in the project (other interested parties)

4.3. Key Project Stakeholders

The three categories of stakeholders as per the ESS10 are outlined below:

- i. **Interested Parties** – individuals/groups/entities that may not experience direct impacts from the Project but who consider or perceive their interests as being affected by the project and/or who could affect the project and the process of its implementation in some way;
- ii. **Affected Parties** – persons, groups, and other entities within the Project Area of Influence (PAI) that are directly influenced (actually or potentially) by the project and/or have been identified as most susceptible to change associated with the project, and who need to be closely engaged in identifying impacts and their significance, in decision-making on mitigation and management measures; and
- iii. **Vulnerable Groups** – persons who may be disproportionately impacted or further disadvantaged by the project as compared with any other group due to their vulnerable status.

Both interested and affected parties under this project have been identified as follows.

Table 2: List of Stakeholders

<i>Stakeholder Type</i>	<i>Stakeholders</i>	<i>Mandate and Justification</i>
Interested Parties	IT Wing and Pakistan Revenue Automation Limited (PRAL)	PRAL is the subsidiary company of FBR primarily responsible for provision of net connectivity, software development, data storage and security. PRAL operates and manages the existing data center hardware and software under the supervision of IT Wing.
	Pakistan Environmental Protection Agency (Pak-EPA)	The Federal Environmental Protection Agency responsible for drafting environmental rules and regulations and monitoring compliance.
	Pakistan Customs	Within the scope of additional financing and in addition to strengthening of tax administration, the major part will be utilized for creation of fully equipped Digital Enforcement Stations by the Pakistan Customs at border posts mostly in Balochistan. Pakistan Customs will be operating and managing these stations.
	Culture, Tourism, Antiquities and Archives Department, Government of Sindh	The department of Sindh Government is responsible for preservation of cultural heritage in Sindh Province. PRRP will collaborate with the Department to seek guidance on preserving the cultural heritage if project activities are identified to have any impact on any cultural site.

<i>Stakeholder Type</i>	<i>Stakeholders</i>	<i>Mandate and Justification</i>
Other Interested Parties	State Bank of Pakistan (SBP)	National Organization/Central Bank. Sets the monetary policy and governs all sorts of banking in Pakistan. FBR collaboration is required for data warehousing, business intelligence, and sharing of /access to databases. Link with FBR database issues is another important sphere of coordination.
	Ministry of Information and Broadcasting (MoIB)	The Ministry of Information & Broadcasting (MoIB) is responsible for release of government information, media galleries, public domain and government unclassified non-scientific data to the public. The MoIB has jurisdiction for administering the rules and regulations and laws relating to information, broadcasting and the press media in Pakistan. Taxation related laws, rules and procedures need to be disclosed to general public. MoIB has the role in disseminating this information.
	Securities and Exchange Commission of Pakistan (SECP)	National Organization; a financial regulatory agency to develop a modern and efficient corporate sector and a capital market based on sound authority principles. FBR collaboration is required for data warehousing, business intelligence, and sharing of /access to databases. Link with FBR database issues is another important sphere of coordination.
	Provincial Revenue Administrations (PRAs)	Each province has following departments dealing with taxes/levies: (i) the Excise and Taxation Departments, which collect the Urban Immovable Property Tax, the tax on professions, the Motor Vehicle Tax (MVT), and provincial excises; (ii) the Boards of Revenue, which collect the Agricultural Income Tax, land taxes, stamp duty and other taxes on property transactions); and (iii) the revenue authorities that collect the General Sales Tax (GST). FBR has collaborated with PRAs for addressing legal obstacles in automated sharing of taxpayer data among them, harmonizing definitions of economic activities subject to GST/GSTS (DLI-3), agreement on taxation principles and methods for calculating input adjustments for the GST (provincial authorities use STRIVE database to collect GST)(DLI-7).
	Banking Companies	Banking companies in Pakistan carry on the business of banking and undertake financial transactions as permitted under the applicable laws of Pakistan including, but not limited to the Banking Companies Ordinance of 1962, The Companies Act 2017, and all other

Stakeholder Type	Stakeholders	Mandate and Justification
		<p>applicable laws, rules and regulations and the rules, directions and circulars of the State Bank of Pakistan as in force from time to time.</p> <p>Banks have a huge financial data of their clients and they have to share it with FBR. Banks also pay applicable taxes and for that purpose the banks must be well oriented on tax return systems of FBR. Banks need to be taken on board for Single Sales Tax Return Portal to be developed and disseminated by FBR.</p>
	National Database and Registration Authority (NADRA)	NADRA is an autonomous body to operate independently with the mandate to replace the old directorate general of Registration with a computerized system of registering citizens. The National Database & Registration Authority is an independent and autonomous body under the Ministry of Interior that regulates government databases and statistically manages the sensitive registration database of all the citizens of Pakistan. The issue of coordination with NADRA includes sharing data between FBR and NADRA to identify new taxpayers.
	Pakistan Business Council (PBC)	PBC represents business interests and serves as an advocacy platform for business and provides policy advice. Correct information on exemptions, cost of doing business, incentives, and levies on businesses has to be disseminated to business owners for which PBC can play a pivotal role.
Affected Parties⁵	Electronic scrap dealers	The scrap dealers collect wastes/scrap of all types and handover to the recycling/manufacturing industries. PRRP to collaborate with scrap dealers for proper disposal/recycling of e-waste expected to be generated through PRRP technology acquisition component.
	E-waste recyclers	Operating in major cities of Pakistan responsible for receiving e-waste and recycling the same as per international standards. PRRP to ensure recycling of e-waste while avoiding traditional and environment damaging disposal such as burning and acid application.

⁵ The term “affected parties” refers to individuals, groups, or organizations with an interest in the project, which may be affected because of the project location, its characteristics, its impacts, or matters related to public interest. For example, these parties may include regulators, government officials, the private sector, the scientific community, academics, unions, women’s organizations, other civil society organizations, and cultural groups

<i>Stakeholder Type</i>	<i>Stakeholders</i>	<i>Mandate and Justification</i>
	E-waste disposal workers	Workers involved in final disposal of e- waste manually. Awareness creation among these workers is important. Health and safety of workers is at risk if e-waste disposal carried out traditionally using burning method or acid application.
	Tax Consultants/Lawyers/ Custom Clearance Agents	Tax consultants, lawyers and agents are providing taxation related services to individuals and businesses throughout Pakistan. PRRP to collaborate with this group to determine their perceptions of the level of impact from PRRP and as such to reduce or eliminate those impacts.
	Tax return filers	Directly affected by broadening of the tax base. Since taxation is passed on to the end consumer in most cases, citizens tend to lose purchasing power.
	Representatives of manufacturer associations	Business interests and advocacy for the different sectors and sector-specific information on the issues encountered. The subjects of collaboration with this group include working with high-risk sectors, implementation of policies such as electronic monitoring and track and trace, issues of double taxation and GST.
Vulnerable Group	Women Taxpayers	Interaction with women taxpayers is essential for dissemination of information on simplified procedures and clarity on the tax system as well as trade facilitation measures, which may impact them.
	Disabled Taxpayers	The needs of disabled persons to be identified and incorporated in PRRP activities ensuring that PRRP avoids negative impacts on disables and that technology improvement ensures facilitation of disables
	Women Employees of FBR	Comprise very small % of staff i.e. 4.6% of FBR staff is female that may be affected by PRRP. FBR needs to look in to the issues of female staff concerning job retention, promotion, and incentives; Non-Discrimination and equal opportunities. There is a need of an enabling environment and performance incentives for staff based on a robust appraisal system and measures to promote a more diverse workforce by improving the attraction and retention of women
	Taxpayers with low IT Literacy	People finding difficulty in understanding tax terminologies as well as understanding the IT based systems. FBR to explore the challenges faced by this group of taxpayers to facilitate them through process and

<i>Stakeholder Type</i>	<i>Stakeholders</i>	<i>Mandate and Justification</i>
		technologyimprovement.

This list of stakeholders is likely to expand/change in composition as the Project moves through the implementation and operations phases.

4.4. Stakeholder Engagement Process

Figure 5: Stakeholder Engagement Process



4.5. Engagement Methods and Tools

For the engagement process to be effective and meaningful, a range of various techniques needs to be applied that are specifically tailored to the identified stakeholder groups. Methods used for consulting with statutory officials may be different from a format of liaising with other stakeholders (focus group discussions, displays, and visuals with a lesser emphasis on technical aspects).

4.6. Phases of the Stakeholder Engagement Process

Stakeholder engagement will take place in three phases and details are given in the following sections.

1. **Preparation Stage:** In the preparation stage, given time constraints, engagement remained limited to interactions with program-affected parties. The purpose of engagement at this stage was to apprise the stakeholder groups of planned activities and to ensure that valid concerns of stakeholders and useful suggestions were carefully received and addressed before program activities were finalized.

2. **Project Implementation Stage:** During implementation, stakeholders play a crucial role in providing feedback on what is functioning well and what requires improvement. In the project implementation stage, consultations will be carried out with affected parties, and other interested parties. Vulnerable groups that are likely to be affected by project activities will be consulted. In this phase, the emphasis will be on disseminating information on how activities are proceeding, getting feedback on impacts, and consultations on how activities can be carried out such that any negative effects (if any) are mitigated.

3. **Post Implementation Stage:** At this stage the emphasis will be on understanding whether the project has achieved its objectives or not. Post implementation stage will comprise of the project completion report to be prepared by program office-PRRP. During this process, the focus and scope of the SEP will be evaluated to assess that PMU has addressed external changes and adhered to its strategy.

In general, engagement is directly proportional to the impact and influence of a stakeholder. The stakeholder analysis and results of the analysis are used to recommend the level of engagement as under:

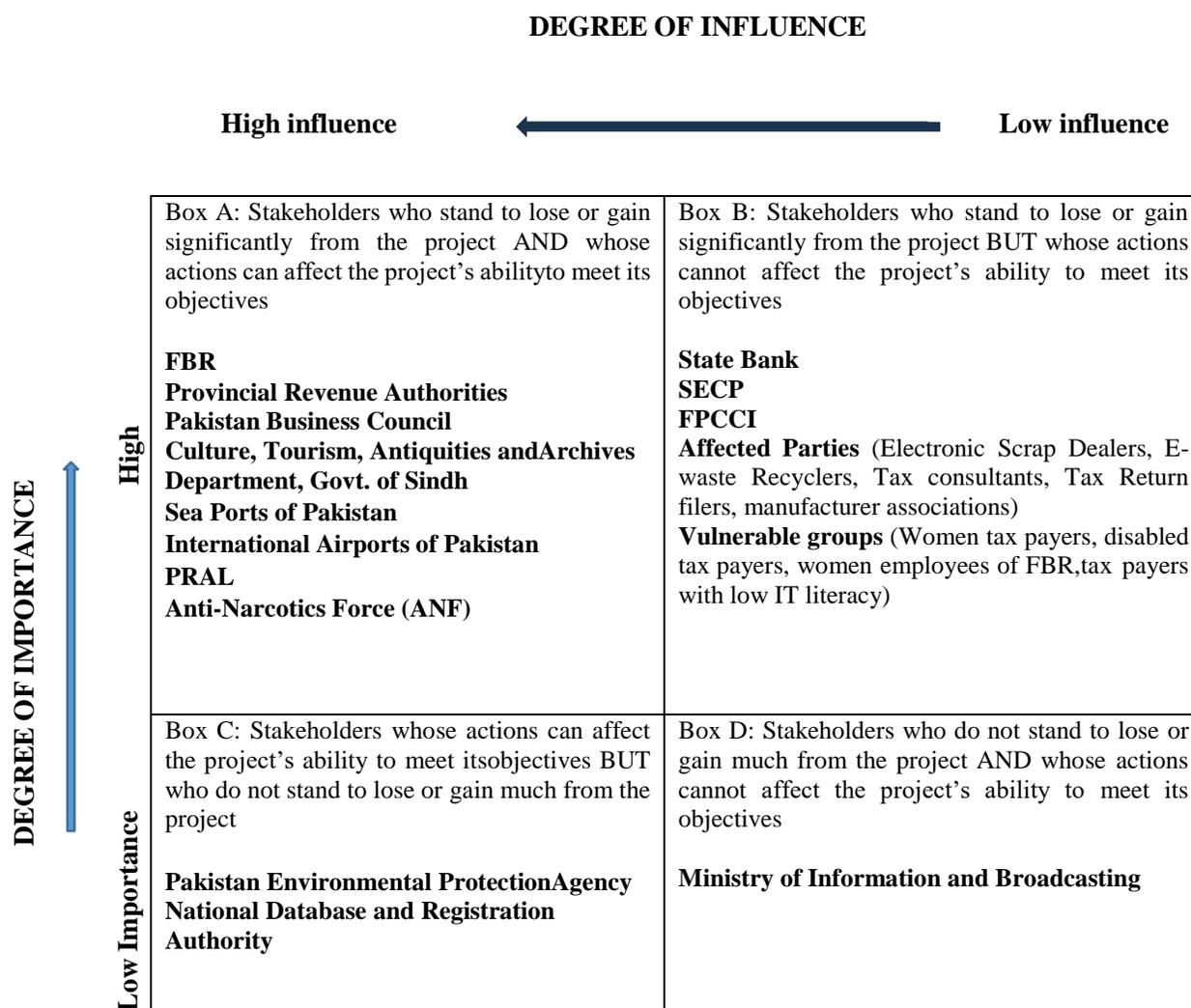
High Interest and High Influence: These stakeholders are to be informed and engaged in the form of a formal interaction on the tax-related aspects of the project. If they raise any concerns, they will be actively involved in identifying mitigation measures and developing subsequent plans. Their engagement aims to obtain their acceptance of Project activities and management plans. They are engaged at the stage of impact assessment studies, and during decisions in project planning and operational phases.

High Interest and Low Influence (monitoring of their interest): These stakeholders have limited ability to directly influence the project but have a keen interest in one or more aspects of the project. The recommendation is that the views of these stakeholders be tracked and monitored through communications.

Low Interest and High Influence (leverage): These stakeholders may not seriously be concerned about the environmental and social aspects of the project, but they are critical of project success. They are recommended to be engaged in active communication on key project activities throughout the project lifecycle. The approval of these stakeholders will be critical for the Project; and

Low Interest and Low Influence (to be informed): These stakeholders will be provided information on key Project activities through press releases, briefings, and other modes of communication during the project lifecycle.

Figure 6: Degree of Importance of Different Stakeholders



4.7. Consultations and Communication Guidelines

The consultations were carried out as per World Bank Guidelines keeping in view following major objectives. Consultations will be continued during the extended project duration under the purview of additional financing:

- i. Sharing information with stakeholders on the PRRP project activities and soliciting their views on social and environmental impacts.
- ii. Identification of likely social and environmental impacts.
- iii. Developing and maintaining communication links between the project proponents i.e. FBR and stakeholders.
- iv. Ascertaining the most acceptable solutions and mitigation measures for possible issues

- that could arise during the implementation of SEP.
- v. Possible Redress of specific issues associated with the implementation of SEP.
 - vi. Understanding the stakeholders’ concerns regarding various aspects of the project, including the existing situation, rehabilitation/construction works, and the potential social and environmental impacts of project related activities
 - vii. Receiving feedback on social and environmental impacts and verifying their significance.
 - viii. Ensuring that the views and concerns of the stakeholders are incorporated into the PRRP project design and implementation as much as possible with the objectives of reducing or offsetting negative impacts and enhancing the benefits of the proposed project.
 - ix. Managing expectations and misconceptions related to the project.
 - x. Engaging stakeholders for maximization of the project benefits.

4.8. Proposed Strategy for Information Disclosure

The PMU will handle communications through the FBR’s Public Relations (PR) wing, and key responsibilities for project advocacy and relaying information on project activities will be disseminated and shared with all the stakeholders accordingly. The Table below summarized this as follow.

Table 3: Information Disclosure

Project Activities	List of Documents/ Information to be disclosed	Methods proposed	Target Stakeholders	Responsibilities
Components 1 & 2	SEP will be disclosed in English and in the local language (Urdu) on the FBR website	Stakeholder’ workshop/sessions/ meetings/Web publishing	<ul style="list-style-type: none"> • Project Interested Parties • Project Affected Parties • Vulnerable Groups 	FBR: <ul style="list-style-type: none"> • PRRP and Reforms & Modernization Wing • PR wing

4.9. Proposed Strategy for Consultation

The information will be disseminated using relevant strategies depending on the stakeholder group and the program stage. Stakeholders will be provided the Basic Information Document (BID) in advance of consultations.

4.10. Strategy to Incorporate the Views of Stakeholders

The PMU has appointed SMS in the PMU who will work on the consultations with all identified stakeholders. The Specialist will formulate a strategy for an engagement at project commencement in consultation with the focal persons, but will broadly follow the steps below.

4.11. Proposed Stakeholder Engagement Plan

The approach for the stakeholder engagement analysis has been underscored by three elements: belief in the primacy of qualitative data, commitment to participatory methods, and flexible responsive methods. An inclusive and participatory approach has been followed taking the main characteristics and interests of the stakeholders into account, as well as the different levels of engagement and consultation that will be appropriate for different stakeholders.

In general, engagement is directly proportional to the impact and influence of a stakeholder. As the extent of the impact of a project on a stakeholder group increases, or the extent of influence of a particular stakeholder on a project increases, engagement with that particular stakeholder group should intensify and deepen in terms of the frequency and intensity of the engagement method used. The different combinations of influence and importance that a stakeholder may exercise are elucidated in the figure-3. The table formulation is based on individual interviews with representatives from the few organizations, which have been consulted to date.

A majority of the interviewees play an important role in the tax landscape and have a high influence. Their input is therefore critical for this project to highlight and address important issues during the implementation phase. The below Table illustrate this project stakeholder engagement activities.

Table 4: Proposed Stakeholder Engagement Plan

Identified Party	Topics of Engagement	Methods used	Location and Frequency	Roles and Responsibilities
Key Stakeholders: 1) Provincial Tax Administrations	<ul style="list-style-type: none"> Stakeholder Consultations and Communications Removing obstacles to the automated sharing of taxpayer data Definitions of taxable items subject to GSTS Importance of defining and communicating various types of taxes to the public at large Introducing concepts of 'customer services, and 'user-friendly' taxation Regimes Single Sales Tax Return-SSTR 	<ul style="list-style-type: none"> Formulation and notification of joint working groups of provincial tax administrations and FBR Workshops/Meetings of these working groups; Training workshops for provincial tax authorities Guidance notes and resource materials on topics of engagement Demonstration sessions on SSTR 	<ul style="list-style-type: none"> All major cities and taxpayer units across all provinces; Annual meetings of working groups; Training workshops once every two years during the project period: LTOs, RTOs, CTOs Islamabad, Rawalpindi, Karachi, Lahore 	<ul style="list-style-type: none"> PMU FBR-PR Wing Chief (Provincial Taxes) Member (IR Policy) Chief System IT

2) Pakistan Business Council (PBC)	<ul style="list-style-type: none"> Updated information on tax exemptions, incentives, and levies on various types of businesses 	Communication of Resource material and briefs to PBC on topics of engagement	<ul style="list-style-type: none"> Annual Meeting 	<ul style="list-style-type: none"> PMU FBR-PR Wing Director General Broadening of Tax Base (BTB)
3) Business Associations in R/O Track & Trace (T&T), Sugar Mills Association, Pakistan 4) Fertilizer Manufacturers of Pakistan Advisory Council 5) Tobacco Manufacturers	<ul style="list-style-type: none"> Implications of automation in sectors included in Track and Trace Systems, Implications and opportunities due to electronic monitoring and track and trace policies on large sectors 	<ul style="list-style-type: none"> FGDs, KIIs 	Biannual consultations	<ul style="list-style-type: none"> PMU Operation (OPS) wing, Director T&T PR Wing DG Digital Initiatives.
6) Citizens of Pakistan	<ul style="list-style-type: none"> Building trust amongst citizens on fundamentals of taxation Uses of the revenue generated Definition and applicability of various types of taxes 	Regular and frequent communications using FBR website and social media	Frequent and regular updates on FBR website and social media	<ul style="list-style-type: none"> FBR
<u>Other Interested Parties:</u>	<ul style="list-style-type: none"> Data Warehousing Security and challenges Business intelligence and sharing of /access to databases. 	Consultation Meetings	Bi-annual basis at their identified place	<ul style="list-style-type: none"> PMU FBR IT Wing Reform and Resource Mobilization Commission (RRMC) as per its ToR
1) State Bank of Pakistan (SBP)	<ul style="list-style-type: none"> Regular updates on the taxation regime Addition of new companies in the tax net Role of SECP in Business intelligence sharing 			
<u>Affected Parties:</u>				
1) Electronic Scrap Dealers	<ul style="list-style-type: none"> Collection, storage and disposal of e-waste from FBR offices 	Informal meetings	Annual basis at their site	<ul style="list-style-type: none"> PMU
2) E-waste Recyclers	<ul style="list-style-type: none"> Proper recycling of e-waste avoiding burning and acid application 	Informal meetings	Annual basis at their site	<ul style="list-style-type: none"> PMU
3) E-waste Disposal Workers	<ul style="list-style-type: none"> Health and safety issues of workers 	Informal meetings	Annual basis at their site	<ul style="list-style-type: none"> PMU

4) Tax consultants, Lawyers, Custom Clearing Agents	<ul style="list-style-type: none"> Impact of improved business processes of FBR on tax consultants, lawyers and custom clearing agents 	Key informant interviews	Annual	<ul style="list-style-type: none"> PMU
5) Tax return filers (all classes of taxpayers)	<ul style="list-style-type: none"> Impacts of improved tax filingsystem on tax return filers 	Online Consultation	Annual	<ul style="list-style-type: none"> PMU
6) Representatives of manufacturer associations	<ul style="list-style-type: none"> Issues faced as withholding agents. Up to date information sharing on taxation matters 	Informal meetings	Annual	<ul style="list-style-type: none"> PMU
<u>Vulnerable/ Disadvantaged Groups:</u>				
1) Women employees of FBR	<ul style="list-style-type: none"> Job retention, promotion, and incentives. Non-Discrimination and equal opportunities. 	Online consultation	At FBR House Two times	<ul style="list-style-type: none"> PMU
2) Organizations for persons with disabilities	<ul style="list-style-type: none"> Hurdles in filing Tax and its related issues 	Informal interviews	Annual at their suggested place and time	<ul style="list-style-type: none"> PMU
3) Disabled Taxpayers	The needs of disabled persons to be identified and incorporated in PRRP activities ensuring that PRRP avoids negative impacts on disabled and that technology improvement ensures facilitation of disabled	Informal Interview	Annual at their suggested place and time	<ul style="list-style-type: none"> PMU

5. Assessment of Feedback from Stakeholders

5.1. Summary

Under the track and trace system for sugar sector, comprehensive and interactive dialogue and engagement of sugar sector representatives has been ensured throughout the process of introducing and implementing the track and trace system. The system has been successfully introduced with the consent and confidence of the sugar sector stakeholders. As a result of this initiative FBR registered 33% Growth in Sales Tax from Sugar Sector through Track & Trace System by March 2022. FBR's helpline has been reviewed and assessed on 23rd December 2019 for its effectiveness and was found a highly useful service for facilitating taxpayers.

Consultative meetings were held with the Provincial Revenue Authorities in June 2020 which concluded to continue discussion on matters of mutual interest including Common Portal - Single Sales Tax Return to facilitate taxpayers and move swiftly towards an environment conducive for doing business.

On 11th November 2020, FBR successfully completed consultations with NADRA and signed an MOU with NADRA on data sharing to increase the tax base in Pakistan.

After continuous dialogue and consultations FBR has been successful in signing MOU with Board of Revenue & Estate, Khyber Pakhtunkhwa on 27th October 2021 for Data Sharing.

Chairman FBR held a meeting with Islamabad Women Chamber of Commerce and Industry on 16th September 2022 during which the Chairman ensured FBR's full facilitation for women entrepreneurs in tax compliance. The Chairman FBR has issued directions to establish special desk at Gwadar for addressing grievances and concerns of women entrepreneurs and to facilitate them in filing tax returns.

During April 2021 the PMU held a series of consultative meetings with FBR offices at different locations in Pakistan. During consultative session with Regional Tax Offices, it was identified that dismantling and installation activities will disrupt the services to tax payers. Therefore, timing for such activities should be decided such as after office hours or on off days. Training on communications and interaction skills may be made part of the training program. Women will be given equal opportunity for training. It was decided that private tax consultants and lawyers will be consulted during the project implementation to ensure they will not be affected by the project activities.

A Tax Roundtable meeting was held on 13 September 2024 with the representatives of Telecommunication Companies (Telcos) to obtain their feedback on SSTR operations. Representatives from Telcos identified a number of policy issues with the SSTR system and suggested to resolve those issues at the earliest. Participants were informed that such policy issues would continue to appear in systems such as SSTR which would be resolved on regular basis. Therefore, we need to move forward with parallel implementation of SSTR in new sectors. During the same meeting data sharing by provincial revenue authorities was discussed. Sindh Revenue

Board (SRB) requested for provision of modalities and specifics of data sharing. The 3 provinces (KP, Baluchistan and Punjab) agreed to sign the MoU with FBR while SRB will join later. Similarly, representative from Oil and Gas Sector informed that SSTR is preferable for OGDCL as it will save time and cost along with bringing-in the efficiency in OGDCL. Representative from OGDCL assured full support and continuous feedback as the SSTR process moves forward.

During consultation with Port Qasim Authorities on **1st December 2021** as well as with Pakistan Single Window under Pakistan Customs, it was informed that staff has the experience of operation and maintenance of x-ray based scanners. Port authorities are aware of the PNRA regulations on licensing and use of x-ray-based scanners. Staff is willing to develop **SOPs** for radiation protection in light of manufacturer's guidelines and PNRA recommendations. SOPs for existing scanners are already available that can be used for SOPs for using new scanners.

The South Asia Port Terminals (SAPT) authorities have been consulted on **8th December 2021** on the issue of installation and operation of scanners. SAPT endorsed that X-ray based scanners are known for their safety with regards to radiation they emit. The impact is not serious. Overall environmental impacts will be minimal as no new land will be acquired or developed. Only minor civil works for installation of scanners will be carried out. PNRA to be consulted for import and licensing of scanners. No disturbance expected to routine operations at ports.

A consultative meeting was held with Deputy Director at Pak-EPA and, Senior Lab Assistant at Pak- EPA on 21 May, 2021 wherein discussion on E-waste management was held. Pak-EPA informed that E-waste management rules are under process and a draft has been developed which is under validation process at Pak-EPA.

Program Office held consultative session with Pakistan Nuclear Regulatory Authority (PNRA) on 2nd Dec 2021 to obtain the input of PNRA on dismantling, installation and operation of scanners at major airports and sea ports of Pakistan.

A survey of women employees of FBR was conducted during November to December 2023 which identified women employee specific needs in FBR offices. Based on recommendations by women employees, FBR is moving ahead to develop and improve the following:

- Providing Daycare facilities to women employees
- Transit accommodation for women employees on transferrable posts
- Proper washrooms for women in all offices
- Transport/ pick and drop facilities for women employees

In July 2024, Women taxpayers were consulted to identify and integrate their specific taxation and IT support needs into PRRP activities, aiming to document practical challenges faced through an online questionnaire. It was found that majority of women employees file returns independently, with some facing challenges like calculating liabilities and entering correct data. Most of the women employees find the IRIS landing page easily accessible. Suggestions recorded include covering all return sections in tutorials and enhancing the Maloomat portal's layout and navigation.

Consultations were held with persons with disabilities in July 2024 to identify and integrate their specific needs, minimize adverse impacts, and leverage technology for better accommodation. Gathering insights from Director Budget-AGPR on tax filing challenges faced by persons with disabilities was essential to document their practical concerns and address them effectively. Following points were discussed during this consultation:

- Data regarding persons with disabilities is not synchronized at the national level in Pakistan, leading to significant variations among records held by NADRA, the National Institute of Handicapped, and the National Council for Rehabilitation of Disabled Persons.
- Persons with disabilities receive minimal assistance as taxpayers, except for visually impaired persons, for whom bright colors and large size icons on the FBR website interface upgraded in 2023 aid recognition.

With regard to the additional financing of PRRP, internal consultations with Pakistan Customs Wing have been held during July 2024 to February 2025 regarding the proposed Digital Enforcement Stations consultations. The basic structures of such stations have been discussed and issues related to civil works and services to stakeholders have been discussed. PRRP has informed about the ESMP as well as SEP requirements to Pakistan Customs including the dissemination and operationalization of GRM at each site.

According to the plan, PMU will conduct the following activities during July to December 2025:

- a. Stakeholder mapping for Digital Enforcement Stations under Additional Financing
- b. Assessment and mapping of stakeholders
- c. Engagement with stakeholders through consultations and focus group discussions. The above consultative process will be held as per the strategies and assessment plan mentioned in previous sections above. In the first phase, the stakeholders for the DES will be mapped and consulted as outlined below.

5.2. Stakeholders for Digital Enforcement Stations

The preliminary identified stakeholders for Digital Enforcement Stations include:

- a. Importers' Associations
- b. Chambers of Commerce and Industries
- c. Goods Transport Associations
- d. Pakistan Single Window
- e. Pakistan Customs Border Stations

The consultations with the above mentioned stakeholders will be continued throughout the project life.

5.3. Identified Issues during stakeholder consultation in 2018-19 for an Effective and Inclusive Engagement

A number of consultations were carried out with the private sector across the country to identify measures to reduce compliance costs using digital technology. Women's entrepreneur groups in Faisalabad and Karachi (2019) suggested a risk-based audit system with no direct intervention between the taxpayer and tax collector. This has been incorporated in the design of the risk-based audit system financed from the project (DLI-6). Similarly, the private sector in Lahore and Khyber Pakhtunkhwa requested a unified system to pay sales tax to reduce compliance costs and reduce chances for corruption (DLI-7). This feedback has been incorporated into the design of the business process re-engineering part of the project (DLI-9) under the Business Process Improvement (BPI) initiative of FBR including the core business processes from Inland Revenue as well Customs.

A survey of 850 traders from different sectors was conducted in 2019 by the government to understand the issues pertaining to voluntary compliance for a better Customs risk management through reduction in time of inspections at the border and traders' business costs. The SEP provides a platform for regular consultations with stakeholders such as small business associations and other taxpayers to obtain feedback on the effectiveness of facilitation measures and gather suggestions for further improvements. The project also supports the FBR's efforts to increase its capacity in communications and outreach by hiring experienced communications professionals to design and implement taxpayer awareness and education campaigns. During the consultations, participants were briefed on the Project i.e. PRRP its objectives, and its potential/likely impacts on the interested and impacted parties. Subsequently, their concerns and comments regarding the proposed project were recorded to identify appropriate alternatives and mitigation measures.

A set of interview questions have been developed for the key thematic areas of the reform process and to gauge the stakeholders' sense of support for the PRRP. A synopsis of key responses is as under.

5.2.1 Federal Board of Revenue Working Group (February 20, 2019 to March 31, 2019)

The FBR Working Group was created to provide a resource mobilization and transformation road map. The FBR Working Group was formed on February 20, 2019, till March 31, 2019.

There is a need to streamline the systems to engage in seamless data sharing (among different entities). Enforcement, presence, and outreach are critical issues. FBR should follow through on policies and not change them frequently and be consistent about enforcement.

5.2.2 Sindh Revenue Board (Interviews held in 2018-19)

As initial interviewees in the SEP exercise, representatives from the Sindh Revenue Board (SRB) shared their viewpoints on their relationship with FBR and other operational issues that they face. At the provincial level, tax collection is fragmented under three tax collection authorities. There is a Revenue Board in each province, which is responsible for GST on services; the Board of Revenue (BoR), is responsible for the collection of registration fees, stamp duty, capital value tax, agricultural income tax, and land revenue; and Excise, Taxation and Narcotics Control (ET&N)

Department, responsible for property tax, professional tax, infrastructure development cess, motor vehicle tax, excise duty, cotton fee, liquor and narcotics and entertainment duty. Further, in each province, the Revenue Board is placed under a different department. Representatives from SRB pointed out that the Punjab Revenue Board operates under the Finance Department, the KP Revenue Authority and the Baluchistan Revenue Authority work under the Excise and Taxation department and the Sindh Revenue Board is placed under the Chief Ministers office. As a result of this fragmentation, there is an increased number of return forms, higher compliance costs, and difficulties in coordination with FBR and its subsidiary, Pakistan Revenue Automation (Pvt.) Ltd (PRAL). Interviewees were of the view that tax harmonization is therefore the need of the hour. (Further details to be added)

5.2.3 Level of Stakeholder Interest and Support assessed in 2018-19

FBR Employees are key stakeholders and hence have a high interest in this project. With an overhaul of the system and job descriptions, KPIs will be initiated. There is overall support for the project given the issues raised by the staff are considered and deliberated upon.

5.4. Consultations with other Interested Parties

5.3.1 State Bank of Pakistan (Stakeholder consultation held in 2018-19)

According to the State Bank officials, SME, agriculture and low-cost housing sectors need to be incentivized and brought into the tax net, by offering concessions and tax holidays. Currently, most of them are taxed generally at a uniform rate, except for the IT startups, which get a tax holiday in the form of tax exemptions. SBP officials were of the view that similar exemptions (of reduced tax rates) should be offered to small and medium-sized companies, especially ones set up by women entrepreneurs. This would help increase and broaden the tax base, even if the revenue generated may not be high initially

5.3.2 Securities and Exchange Commission of Pakistan (Stakeholder engagement held in 2018-19)

Securities and Exchange Commission of Pakistan (SECP) and FBR share data through a one window facility for company and national tax number (NTN) registration under the Virtual One Stop Shop. This scheme has been launched to ease the registration process for companies under the ease of doing business agenda. Although there is an MOU in place between the two entities, for sharing need-based data, the representatives felt that FBR should be more proactive about sharing data and information. Only 50,000 of the 100,000 companies registered with the Security and Exchange Commission of Pakistan (SECP) are filing their taxes and this issue needs to be jointly addressed by FBR and SECP. The engagement between SECP and FBR can help establish taxation benefits for various types of companies (limited liability, sole proprietorship, group companies, etc.) encouraging them to register with FBR and avail such benefits.

5.3.3 Trade Development Authority of Pakistan (Stakeholder engagement held in 2019)

Trade Development Authority of Pakistan (TDAP) is a department within the Ministry of Commerce and Textile Industry of Government of Pakistan and does not interact directly with FBR. During the interview the refunds and duties/taxes under the various export incentives for exporting entities were discussed. There are two such mechanisms under which a refund is operationalized. One is a Duty and Tax Remission Scheme under which raw materials are imported.

The other matter pertains to sales tax refunds and the issues with the input-output ratio.

5.3.4 Pakistan Business Council (Stakeholder engagement held in 2018-19)

Established in 2005 by leading Pakistani corporations, the Pakistan Business Council (PBC) advocates for improving the country's business environment. With 79 members in 2019, including 40 in its Tax Committee, PBC influences tax legislation and supports economic documentation. PBC members, responsible for a quarter of national taxes, seek simplified tax systems for business growth. Provincial sales tax rates differ across the provinces and there should be a consistent tax policy on sales tax on services. Moreover, procedures for input-output adjustments are complicated. Respondents were of the view that FBR needs to enhance its understanding of business supply chains. They need to consult with the private sector organizations and this could be through the business associations. Given the different contexts and tax structures in the provinces, it would be critical to consult with the other provincial authorities to achieve the harmonization of taxes single GST return. The issue of withholding tax was also highlighted by PBC. Businesses are forced to act as withholding tax agents. The process should be automated and available online so it can be crosschecked by both the FBR as well as the withholding tax agents. Processes should be transparent and consistent and changes in policies, which would impact businesses, should follow a consultative process so that there is buy-in from businesses at the outset. For instance, Pakistan Business Council collaborated with tax authorities on several occasions to help shape the policy environment and improve tax compliance. But FBR made changes to most of these, without engaging with or holding any discussions with stakeholders when making these changes. Another area of concern is that of advance tax in the Large Tax Offices (LTOs). The LTOs have to meet collection and get the advance tax for the next financial year.

5.3.5 Civil Society Organizations (Stakeholder engagement held in 2019)

Civil society organizations such as Sustainable Development Policy Institute (SDPI), The Network for Consumer Protection and the Centre for Peace and Development Initiatives (CPDI) have been engaged in research and advocacy efforts on various aspects of tax policy and reform.

One of the areas of discussion with CSOs pertained to the automation of FBR services. Second there should be an independent third-party monitoring of the PRRP.

It is also important to run tax advocacy campaigns as part of a behavior change effort to convince people against the evasion and avoidance of taxes. These could be on mainstream television and radio channels and social media handles of the FBR. The SDPI representative also suggested the revitalization of the Fiscal Research and Evaluation Unit housed in FBR, which used to be headed by a public finance economist. This unit produced quarterly research bulletins and had an extensive database. The revival of research and its circulation would also improve the capacity and standing of FBR. It was discussed by the civil society organizations pertained to the Taxpayers' bill of rights. Taxpayers' rights need to be effectively protected by enacting a Taxpayers' Bill of Rights.

They suggested that small chambers, trade unions, and salaried persons should be consulted.

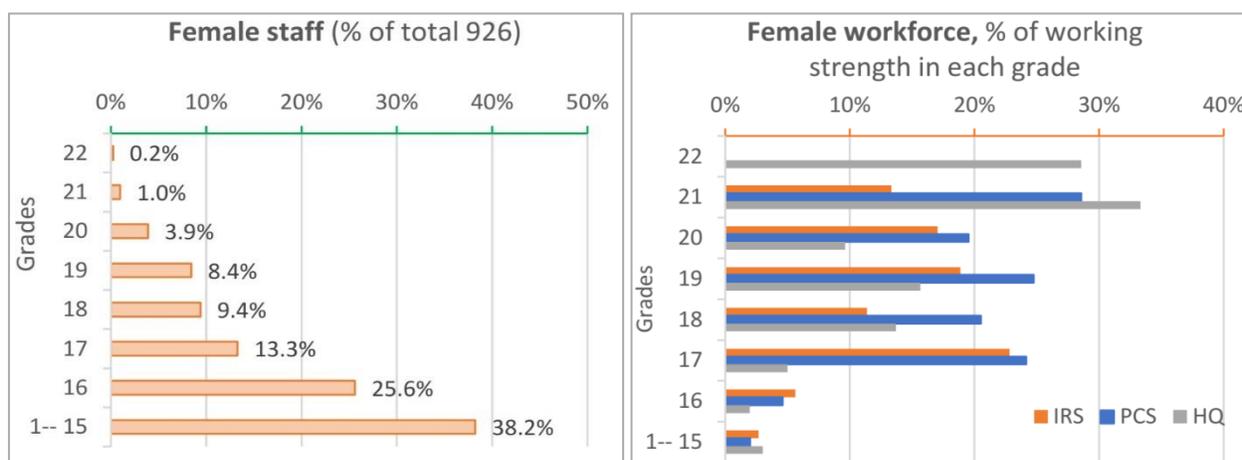
5.3.6 Tax base of Pakistan (Stakeholder engagement held in 2018-19)

Another issue is understanding where taxpayers’ money is being used. Some respondents demanded ‘expenditure tracking’ of the GST that they pay on consumer goods, and on the annual income tax they pay (according to each tax slab). Also, there is confusion on the fundamentals of various types of taxes (such as withholding tax, advance income tax, federal excise duty, GST, VAT, tax on electricity and gas, etc.) and their subsequent applicability. Some interviewees said that FBR is more concerned with bringing more people into the tax net than ‘encouraging’ and ‘rewarding’ taxpayers who have paid their taxes all their lives and continue to do so.

5.3.7 Women Employees of FBR (interviews held in 2019)

According to the initial results of a human resource assessment conducted by the World Bank, workforce diversity is low in FBR, although the organization follows the government-wide policy on the inclusion of under-represented groups into the workforce. The total share of female staff in FBR’s workforce is about 4.5% (926 out of 20,770 working strength). The majority of females are recruited in Grade 16 and below (64% of 926) in both IRS and Customs. However, female representation (as a share of working strength in each grade) is better in grades 17 and above, especially in PCS (see Figure 4). Although women and other underrepresented groups can compete for all government positions, however, there is no institutional target for increasing the female workforce (there is a government-wide quota of 10%).

Figure 7: Female staff in FBR, by Grade and Cadre⁶



According to a senior FBR officer, who has 18 years of experience working in the field formation, the work environment is respectable (for lower staff and female officers). She has a good experience of public dealing in field office. She felt that the government quota of 10% for women over the last decade or so is quite low. Women officers are not displaced. There is a wedlock policy in place, under which female officers are posted in the same locations as their husbands (or if unmarried they are stationed in the same city as their parents) and no female officer is sent out of the station as punishment or for other reasons. They work more independently at the district level than at headquarters, however, this would also be the case with their male counterparts. Women are usually given their choice postings and do not encounter any hardships on that account. Her

⁶ The graphs are taken from Diamond Human Resource Assessment of the FBR, Pakistan, March 2019

male colleague also mentioned that, although there is a reserved quota for women, and positions are merit-based. There are in fact, more women officers than men in the urban areas, particularly in the regional tax offices. Based on these discussions, women staff in FBR do not seem to be at a disadvantage. Another aspect that is important to mention about women employees, is that FBR staff expressed a need for daycare facilities in the field formations as well as the urban centers, as that would further support women officers who have to take extended leave for child care once their 3-month maternity leave expires.

5.5. Proposed Strategy for Feedback in Future

PMU will engage the stakeholders (the current stakeholders as well as stakeholders under the additional financing) in future to obtain feedback on previous consultations and activities implemented by the PRRP. This will be ensured through activities such as meetings, surveys, information sharing, web-portal for feedback and press releases by FBR. Feedback will be obtained in future from all the stakeholders involved previously to assess the effectiveness of the stakeholder involvement strategies and to improve the consultation process as required. For this purpose, the following specific actions will be taken:

- a. Stakeholders will be offered web-link/portal to provide feedback on PRRP interventions. A link has already been created with the similar objective which can be accessed at:

<https://www.fbr.gov.pk/Suggestions-Concerns/152812/174131>

This link provides contact emails for stakeholders to provide suggestions, feedback as well as raise concerns on the project activities.

- b. Stakeholder consultations will be continued as per the plan during which stakeholders will be informed about the progress made so far after initial/previous consultations, and feedback will be sought from the stakeholders for further improvement of the project activities. The feedback will be recorded in the consultation logs.
- c. Press releases are issued concerning the stakeholder consultations held by FBR. Readers of press releases are encouraged to provide feedback.
- d. PDO indicators 3 and 4 on taxpayer and trader facilitation will be measured through annual surveys of taxpayers.
- e. Follow-up surveys will be conducted to obtain the feedback so as to assess the effectiveness of the interventions implemented under PRRP.

6. Grievance Redress Mechanism

6.1. Objectives of the GRM

The GRM is consistent with the requirements of the FBR and World Bank Procedures & Guidelines of redress mechanisms to ensure the mitigation of concerns by the affected persons, risk management, and maximization of environmental and social benefits. The overall objective of the GRM is therefore to provide a robust system of procedures and processes that provides for transparent and rapid resolution of concerns and complaints identified at the local level which will also include gender-based violence related complaints specific to PRRP activities.

The GRM will be accessible to diverse stakeholders including workers, staff, recyclers, and affected communities, including women, senior citizens, and other vulnerable groups. Culturally appropriate communication mechanisms will be used at all sub-project sites both to spread awareness regarding the GRM process as well as complaints management.

The mandate of the GRM is to:

- (i) Receive and address any concerns, complaints, notices of emerging conflicts, or grievances (collectively “Grievance”) alleging actual or potential harm to the affected person(s) (the “Claimant(s)”) arising from the Project;
- (ii) Receive and address gender-based violence related complaints relevant to activities of PRRP.
- (iii) Assist in the resolution of Grievances between and among Project Stakeholders; as well as the various government ministries, agencies and commissions, CSOs and NGOs, and others (collectively, the “Stakeholders”) in the context of the Project;
- (iv) Conduct itself at all times in a flexible, collaborative, and transparent manner aimed at problem-solving and consensus building.

6.2. Existing Grievance Redress Mechanism of FBR

FBR has a Grievance Redress Mechanism which is based on intra as well inter-organizational mechanisms. For inter-organizational mechanisms, the FBR maintains an online complaints section comprising of different parallel tiers depending on the nature of the complaint.

Firstly, if an employee of FBR has a complaint, the same can be lodged with the Chairman FBR (which would be dealt with under the guidelines of the FBR Act, 2007) and if a taxpayer has a complaint regarding any malpractices on the part of tax officials, the same can also be forwarded to the Chairman FBR through the link available on FBR website.

Secondly, an Integrity & Performance Management Unit (IPMU) has been established at FBR. The IPMU is further divided into two cells comprising of Integrity Management Cell (IMC) and a Performance Management Cell (PMC).

Thirdly, regarding the inter-organizational GRM System, for the facilitation, technical and legal support of the taxpayers, the CRM (Customer Relationship Management) and Call Center have

been established at FBR through which technical queries, software issues, and filing-related understanding as well as grievances of the taxpayers are addressed by teams comprised of call center agents, legal team and developers' team.

The FBR website maintains a helpline platform which provides access to everyone to get instant help as well as access to complainants to lodge their complaints. The helpline web page provides phone number, email and web link to CRM. The web page can be accessed at the URL:

<https://www.fbr.gov.pk/ask-fbr/173354>

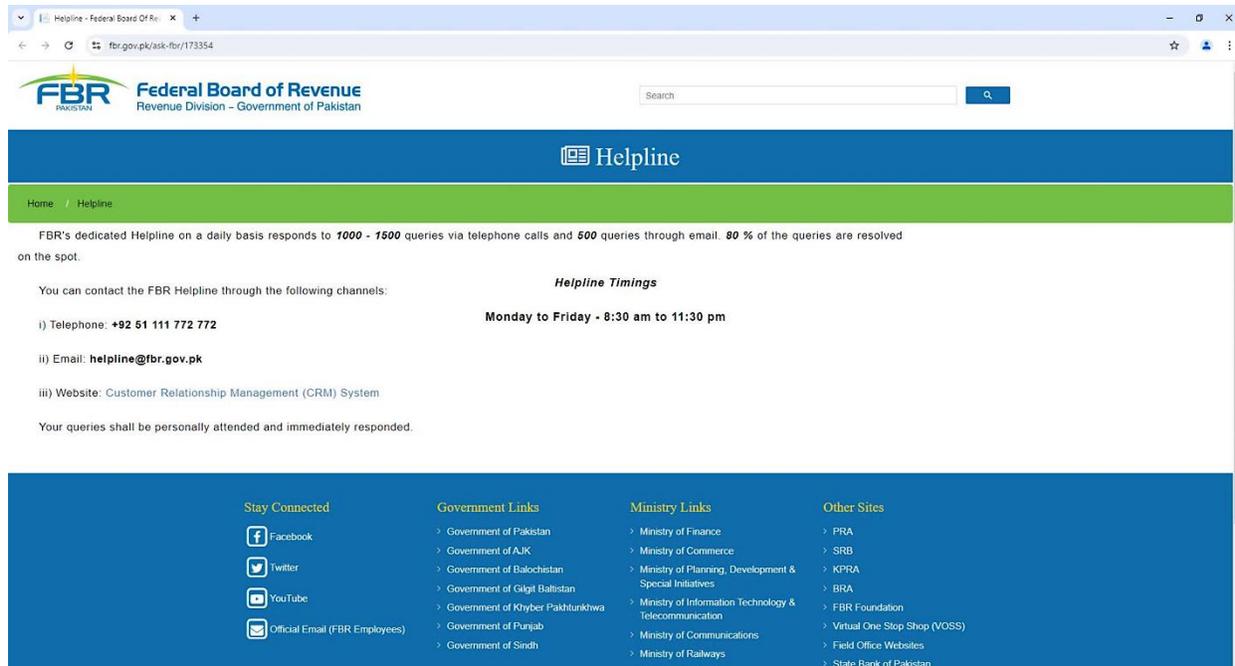


Figure 8: FBR online Help center

Regarding the inter-organizational aspects, the complainant can lodge his/her complaint with the Office of the Federal Tax Ombudsman which serves as an appellate forum where any taxpayer can file an appeal against a decision taken by the tax authorities. It has a separate website explaining the role of the Ombudsman Office, maintains an online complaint system, and provides information on its regional offices.

6.3. Grievance Redress Mechanism of PRRP

PRRP has an operational GRM to facilitate amicable and timely resolution of complaints and grievances of the stakeholders including project affected persons (PAPs) (male and female) regarding all environmental, social and gender-based violence issues including not limited to electronic waste disposal by contractors.

The GRM proposed here spans the entire project implementation and will cater to both the directly and indirectly affected people/beneficiaries. Though the GRM proposed here has been designed to

address environmental, social and gender-based problems identified during implementation, it will also cater to managing any disconnects that emerge from the field level that have significant implications for the effective implementation of the sub-project interventions.

The core responsibility of developing and managing GRM will rest with the PMU in FBR HQs at Islamabad. The PRRP target offices will serve as the secretariat for the Grievance Redress Committee which will be responsible for providing oversight on the entire GRM process at the local level and monitoring complaints management.

6.4. Complaint Registration

Any person will have the option to lodge a grievance/complaint using any of the following means:

1. **Through email:** Complaints can be registered through email to SMS available at sms.prrp@fbr.gov.pk
2. **Verbal registration via phone:** Affected person may contact the respective FBR office via telephone and register a complaint with the Environmental and Social Focal Person. Complaints can be lodged via phone call to SMS at 0519219641.
3. **A written complaint** is to be sent through courier to the PMU in Islamabad or any FBR office of concern: Complaints can be posted to FBR offices of concern as letters or written messages and addressed to the Environmental and Social Focal Person.
4. **PRRP** has provided a link on FBR website for stakeholders as well as affected persons to contact PRRP Management for any concerns or complaints regarding the project activities. The link is provided below:
<https://www.fbr.gov.pk/Suggestions-Concerns/152812/174131>
5. **PRRP Webpages** are being populated on FBR website within two sections. Icons are being created on main webpage of FBR website for major interventions such as Track and Trace System and Single Sales Tax Return, while the link already created for PRRP, as mentioned above, will be populated with data on project activities. Most of the data about PRRP will be uploaded in January 2025 while it will continue to be uploaded in the year 2025.

The complaint can also be filed by the representative of the affected person, given that they provide credible documentation and written consent by the people or group whom they represent. All complaints, however, made, will be received by the Social Management Specialist based in the PMU office in Islamabad. SMS will consolidate all complaints into a database daily, separated by location as well as subject. All complaints registered will reach the following:

- Project Director, PRRP
- Environmental Management Specialist (EMS)
- Social Management Specialist (SMS)

The grievance application would include the name of the claimant/representative, the contact details of the individual making the complaint (i.e., email, phone, address), and the description of

the potential harm. The SMS being the repository of all social complaints will forward the complaint to the relevant Solution Tier. The solution tiers are described in the sections below.

6.5. Suggestions and complaints through FBR website

FBR has provided access to all stakeholders to provide suggestions, feedback and even complaint or concern with respect to PRRP through following web link. Emails are provided at the web link which can be used to send suggestions, concerns or complaints against PRRP only. This facility has been created on 19 September 2024.

<https://www.fbr.gov.pk/Suggestions-Concerns/152812/174131>

The screenshot shows a web browser window displaying the FBR website. The page title is "Pakistan Raises Revenue Project — Suggestions and Concerns". The header includes the FBR logo and the text "Federal Board of Revenue Revenue Division – Government of Pakistan". A search bar is visible. The main content area features a blue sidebar with a menu for "Reforms & Modernization Wing" and a main section titled "PAKISTAN RAISES REVENUE PROJECT — SUGGESTIONS AND CONCERNS". The main section contains a brief introduction of the PRRP and contact information for the Reforms and Modernization Wing. The footer includes social media links (Facebook, Twitter, YouTube, Official Email) and a list of government and ministry links.

The page also provided a brief introduction of the PRRP. FBR will further populate this page with more information and data about PRRP.

6.6. GRM Procedure

Any grievance in writing, verbal or digital form shall be recorded by the receiving office (PMU or regional FBR offices) in a Complaint Register (CR) which will be maintained in the form of a database. A serial number will be assigned to it together with the date of receipt. The database will include details of actions taken to resolve the issue and dates on which resolution was affected. The database will be centrally maintained at the PMU in Islamabad.

All registered grievances/complaints will be acknowledged through a text message or phone call. If no telephone number is supplied by the complainant, he or she will be asked through a letter to check back with the PMU. This acknowledgment will be issued within one day of receipt of the grievance/complaint. The acknowledgment shall contain the name and designation of the officer who will deal with the grievance; information that necessary action will be taken within the

specified working days from the date of receipt of the grievance by the officer concerned; name, address, email address and phone number of the authority which the complainant could approach if the matter is not redressed within the specified timeframe or if she/he is not satisfied with the action taken.

Grievances will be investigated and resolved within the timeframe specified. If resolution demands longer than the specified timeframe, the complainant will be informed. Grievances that require the cooperation of several departments, or which are otherwise complicated, will be referred to the Grievance Redress Committees (GRC) which will specify how the resolution is to take place. GRCs will be established separately for procurement and E&S complaints..

The staff will provide monthly updates to the claimant regarding the status and current actions being taken to resolve the grievance. If the proposed response is rejected by the stakeholders/beneficiaries then a further assessment will take place unless a mutual agreement is reached between the two parties. A dialogue will be facilitated to ensure that the views of the complainants are discerned.

If the grievance redress mechanism fails to satisfy the aggrieved affected person at all levels, she/he can submit the case to the appropriate court of law. In that case, the GRM staff will document the entire process of redressing grievance including all the relevant steps taken, communication with the complainant, and the decision made by the GRM team to refer the AP to alternative recourse.

A GRM report will be submitted semi-annually detailing the work of the GRM, enumerating the number and nature of the grievances received in the past six months, referrals made, and the status of the ongoing implementation of the grievances being addressed.

6.7. GRM Solution Tiers

A multi-tier GRM has been proposed for the PRRP which is described below.

Tier 1 (Regional Office level): When a grievance arises, the SMS may directly advise the relevant FBR Field Office or Responsible Party to resolve the issue appropriately within the given timeframe of 15 days. If the issue is successfully resolved, no further follow-up is required. Environment and Social Focal Person (ESFP) in the concerned office will keep track of the proceedings. Gender based violence grievances will not be addressed at this tier rather referred to tier 2 for appropriate solution.

Tier 2 (PMU Level GRC): If no solution can be found at Tier 1 or a SEA/SH related complaint arises; the SMS will present the complaint to the GRC at the PMU level while presenting the records and progress made so far. Because of the sanctity of the female staff, the gender-based violence related complaints, if any, will be addressed on priority and not disclosed to irrelevant persons. The SEA/SH/GBV related complaints pertaining to the activities of PRRP will be routed through the Social Management Specialist to the Additional Director (CIC), Program Office, FBR for processing and suggesting the appropriate action and forum such as GRC to resolve.

6.7.1 Grievance Redress Committee (Environmental and Social)

The GRC for Environmental and Social complaints will comprise of:

- Environmental and Social Focal Person of the regional/ local FBR office concerned,
- Project Director, PRRP
- Social Management Specialist, PRRP

All the members will be duly notified. For each complaint, the GRC (E&S) will investigate and prepare a fact-finding report to assess its eligibility and identify an appropriate solution. The GRC (E&S) will, as appropriate, instruct the responsible entity to take corrective actions. The complaint will be redressed/appropriately responded to within 15 days. The GRC (E&S) will review the responsible entity's response and undertake additional monitoring as needed.

Tier 3: If the PAPs are still not satisfied with the decision, then the complainant(s) may contact and register their complaint with the Court of law.

6.8. SEA/SH/GBV Grievances

The GRM also provides a mechanism for addressing specific grievances related to SEA/SH/GBV issues. The confidentiality will be ensured throughout grievance process in this regard.

In order to operationalize the GRM for SEA/SH grievances, PMU will take following steps:

- a. Disseminate the GRM structure specific to SEA/SH complaints. The section on SEA/SH grievances will be disseminated to all stakeholders and at all project sites.
- b. Training on ESMP will also include this SEA/SH section as mandatory for disclosure purposes.
- c. Compliant registration method as mentioned under section 6.4 will be adopted to receive SEA/SH complaints. The only exception here would be that focal persons will not receive such complaints. Complaints should be directly sent to email addresses or via phone call as per section 6.4 above.
- d. Strict confidentiality principles will be followed throughout the resolution of SEA/SH complaints. Because of the sanctity of the female staff, the gender-based violence related complaints, if any, will be addressed on priority and not disclosed to irrelevant persons.
- e. Such complaints will be addressed/resolved only by the GRC.
- f. When a SEA/SH related complaint arises; the SMS will ensure minimum information from the complainant. This will include
 - (i) Name of complainant
 - (ii) Designation of complainant or individual
 - (iii) Office address or other address in case of individual complainant

- (iv) Contact information of complainant
 - (v) Information about the complaint including date, time and location
 - (vi) Detailed description of complaint
 - (vii) Complaint against (name of accused person)
 - (viii) Evidences if any (document, video, audio record)
 - (ix) Witnesses if any, with their contact details
 - (x) Any other information that complainant can provide in support of the complaint
- g. After assessing the acceptability of complaint, SMS will present the complaint to the GRC at the PMU level while presenting all the records.
 - h. The SEA/SH/GBV related complaints pertaining to the activities of PRRP will be recorded by the Social Management Specialist and routed to the Additional Director (CIC), Program Office, FBR for processing and suggesting the appropriate action to GRC to resolve.
 - i. The GRC for SEA/SH grievances will comprise of Social Management Specialist, Additional Director (CIC), Program Director and a Representative from Admin Wing of FBR.
 - j. GRC will review the complaint and resolve the same within a timeframe of 15 days.
 - k. The complainant will be informed accordingly.
 - l. If complainant is still not satisfied with the decision, then the complainant may contact and register the complaint with the Court of law.

In the next phase of the project, there will be an emphasis on ensuring that the project's grievance redress mechanism is SEA/SH-sensitive, with a focus on confidentiality and survivor-centered care. GRM operators will be trained, and referral mechanisms will be identified to appropriately support potential survivors. Regular training and awareness sessions will be conducted for all project personnel to reinforce their understanding of the Code of Conduct and the importance of preventing SEA/SH.

6.9. Grievance Closure

The complaint shall be considered as disposed-off and closed when:

- The designated officer/authority has acceded to the request of the complainant fully;
- Where the complainant has indicated acceptance of the response in writing;
- Where the complainant has not responded to the concerned officer within one month of being intimated about the final decision of the grievance officer on his grievance/complaint;
- Where the complainant fails to attend the proceedings of the concerned officer at the relevant office within the stipulated period of the disposal of the complaint; and
- Where the complainant withdraws his/her complaint.

7. Monitoring and Reporting

7.1. Involvement of Stakeholders in Monitoring Activities

SEP implementation requires regular consultations with stakeholders such as small business associations and other taxpayers to obtain feedback on the effectiveness of facilitation measures and gather 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. Monitoring the Grievance Mechanism

It is important to monitor the effectiveness of the comment response and, grievance mechanism. Appropriate measures/KPIs for this include monthly reporting on the number of grievances received, resolved, and outstanding. This will be undertaken by the PMU staff and reported to the Project Director. As part of the annual review, analyzing the trends and time taken for grievance resolution will help to evaluate the efficacy of the comment response and, grievance mechanism.

As part of stakeholder engagement and consultation, involving the views of the stakeholders for whom the Comment Response and, Grievance Mechanism is designed in this monitoring and review will help to improve effectiveness and stakeholder buy-in.

The PMU will maintain a database and activity file detailing all public consultation, disclosure information, and grievances collected throughout the project, which will be available for public review on request.

Stakeholder engagement should be periodically evaluated by senior management. The following indicators will be used for evaluation:

- Level of understanding of the project stakeholders;
- Number of annual grievances received and resolved and how they have been addressed; and
- Level of involvement of affected people in committees and in the project itself;
- To measure these indicators the following data will be used:
 - ✓ Issues and management responses linked to minutes of meetings;
 - ✓ Feedback from primary stakeholder groups (through interviews with a sample of affected people) and
 - ✓ Grievance register.

7.3. 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. Often the same methods used in information disclosure are applied to reporting back to stakeholders. This follow-up can include targeted meetings, and consultative committees.

The six-monthly report will provide relevant information to be included in the Project ISR Reports. The project also supports the FBR's efforts to increase its capacity in communications and outreach by hiring experienced communications professionals to design and implement taxpayer awareness sessions and provide a feedback loop.

Annexure 1: Stakeholder Consultation Logs

Record of the Consultation Meeting

Stakeholder/s:

Consultation

Group

(Male/Female):

Date:

Time:

Meeting venue:

Attended by:

Name

Occupation

Contact

Conducted by:

Recorded by:

Language:

Preamble:

Picture: To be inserted.

**Stakeholder
views, concerns,
and suggestions:**

Annexure 2: Key Informant Interviews (KIIs)

Form ID: _____

Full Name of Interviewer: First Name: _____ Last Name: _____

Institution/Business: _____ Date: ____/____/____

Time: ____:____ AM PM

Introduction- My name is _____. I am representing PRRP-FBR. We are conducting stakeholder consultations to take the views, concerns, and, suggestions. The information gathered will be used strictly for the project purposes and your identity and anonymity will be ensured. There are no right or wrong questions so please answer as you deem fit. Do I have permission to proceed to ask you relevant questions and record your answers? You are free to withdraw from this discussion at any time by telling the enumerator. Thank you.

Section.1 Existing Issues

Q.1: In your opinion, how effective are the FBR services regarding tax collections and how much support and guidance does it require for those?

Prompt-

SEC.2. Existing support available to you

Q2. Who provides the support to overcome the challenges and how is the support provided?

Prompt-

Q.2.a. How often is the support available to you?

Prompt-

Q.2.b. Which FBR wing provides opportunities to resolve the issues and what level of support do you think they receive from different authorities?

Prompt-

Section: 2 Existing FBR support services

Q.3. What do you think of the existing support services in terms of adequacy, quality, relevance, frequency, and quality?

Prompt-

Q.3.a. In your opinion, did the FBR official(s) meet your needs and were they practical and appropriate for your tax-specific situation? (Please support your answer with examples and reasons)

Prompt-

SEC.3. PRRP-FBR modalities

Q.5: In your opinion, which one of the existing modalities of FBR has been most effective and has had a clear positive impact on raising revenue and why? (Please elaborate).

SEC.4. Barriers to receiving solutions

Q.6. Which organizations/Institutions/firms offer to resolve issues with FBR in case of your queries, and how comfortably do you think these organizations/firms could participate in uplifting the program?

Prompt-

Q.6.a. How supportive do you think authorities such as the NADRA etc. to participate in a program? (Please elaborate)

SEC.5. Recommendations and suggestions

Annexure 3: Focus Group Discussion

General Questions (For all directly interested organizations)

Sr. #	Questions
1	Do you think it is a good initiative and in your opinion, what is the main area of concern that needs to be addressed or streamlined?
2	Automation in FBR is one of the reform initiatives. Do you think any issues will be arising from this?
3	How would they benefit your organization? Will the reform will affect your work?
4	How critical do you think it is for FBR reforms to take place?
5	Do you think that the reforms will affect your work? What influence can you exert on this process?
6	What concerns/issues does your organization have with FBR? Have you been able to address any of these? If not, what do you think has been the main hindrance due to which you could not overcome it?
7	In your view what steps would be needed to address the concerns/issues face by your organization?
8	Who would you consider to be other key stakeholders who would be directly or indirectly affected by the FBR reforms project?
9	Are there any grievance/redress mechanisms in FBR?
10	How would you like to be informed about the reform process?

Questions Specific to FBR

Sr. #	Questions
1	What kind of reforms would help FBR to increase compliance?
2	How many departments are in FBR? Are they working at full capacity?
3	How would you describe the relationship between the different structures that make up the FBR? (Probe: the relationship between FBR and Ministry of Finance, FBR and customs, FBR and provincial authorities? What is the most problematic aspect of the relationship between different structures? Explain the relationship between different wings of FBR, and the relationship of FBR with Ministry of Finance and provincial authorities? What is the most problematic aspect of the relationship between different structures?)
4	Do FBR employees receive any kind of training? Do you think there is a need for training?
5	What is FBR working group? And what kind of issues are discussed in this?
6	In terms of a grievance mechanism, how long does it take to resolve a complaint in the system? (For instance, resolving an appeal or processing a refund?)

Questions Specific to PRAL

Sr. #	Questions
1	Could you describe the structure and mandate of PRAL?
2	What is the current status of FBR regarding ICT – equipment, capacity to use, and intranet facilities?
3	What are some key issues that are being faced with the databases?
4	Is there any sharing of data and synergy with other organizations e.g. SECP or NADRA?
5	Please explain the mandate, composition and responsibilities of PRAL Board? PRAL Board its composition and its responsibilities?

Questions Specific to FBR Women Staff (Grade 1-15)

Sr. #	Questions
1	In terms of career management, how would you describe the FBR as an organization?
2	Is there any enabling environment and performance incentives for staff? If not, what would you propose to address these areas in the future?
3	What are the working conditions for women? (Bathroom facilities, maternity leave)
4	On average how long do women stay in different posts? Are you frequently posted to different assignments?
5	Is there any gender bias in FBR with respect to promotions?
6	Can you describe any initiatives aimed at promoting workforce diversity by enhancing the recruitment and retention of women? Alternatively, if such measures are not currently in place, could you suggest steps that could be taken to address this issue?

Questions Specific to the Chamber of Commerce

Sr. #	Questions
1	What are the issues regarding collection of withholding tax?
2	What will be the implications would the electronic monitoring (under track and trace system) of production for the sugar, cement, fertilizer, tobacco and other sectors?
3	Is electronic monitoring under track and trace system is a useful tool?
4	How many tax exemptions are in place at present in your sector? Which tax exemptions are available for various sector/tax payers?
5	Does FBR consult with the Chamber and relevant Associations before giving exemptions?
6	What kind of simplification in the e-filing process would help tax payers?
7	How do women-headed firms handle tax burdens and custom practices? What is the procedure and what kind of hurdles do they encounter? Is there any facilitation for the businesses owned by women in tax compliance?

Questions Specific to Tax Accountants/Lawyers

Sr. #	Questions
1	How do you find the current tax system? Is it user-friendly?
2	What would you identify as the main weakness of the current tax system?
3	What are the hindrances in voluntary tax compliance an issue? Why do people hesitate to file their taxes?
4	Who are the most vulnerable groups regarding the issues faced in the tax compliance process?
5	What kind of complaints do you often encounter in your work?

Questions Specific to Pakistan Customs Service

Sr. #	Questions
1	What are the main features of the customs strategic plan? Will it improve the functioning of the current system?
2	What is the significance of the Automated Entry-Exit System? How can it assist in your work?
3	Does the existing workforce have the required ICT training to operate this mechanism?
4	In terms of capacity building what support would be required to enable the department to function efficiently with this new system?
5	What is the status of the trusted trader program? Do you envisage any benefits and/or problems in implementing the system?
6	The government has recently supported the implementation of the national single window for trade facilitation. How do you see that being operationalized? What is the benefit of implementing this initiative and what are the problems you may face?

Questions Specific to EPA and the Ministry of Climate Change

Sr. #	Questions
1	Are there guidelines in place for handling E-Waste? If so, when were these updated?
2	Have these guidelines been implemented with any department/agency?
3	Do you think that these can be implemented by FBR? Will they require any modification?
4	What are the labor and safety issues that may arise in handling E-waste?

Questions Specific to Provincial Tax Authority

Sr. #	Questions
1	Overall, what do you think of the fact that taxation in the province is divided among 3 tax bodies? Is there any synergy between these authorities or do they operate independently?
2	What is the relationship between your department and the provincial finance department? What reporting/interaction is conducted regularly?
3	There is an MOU for the exchange of taxpayer information between the federal and provincial authorities? Is information being shared? What is the main benefit of this arrangement?
4	Are there problems in the collection of GSTS? How frequently do you report it to the FBR? Is there regular information sharing with FBR?
5	Are input adjustments an issue when it comes to levying GST on goods or services? How are these handled?
6	Have you heard of the fiscal coordination committee? What is its role and how can it be effective in better coordination between the center and the provinces?
7	Do you have regular links/communication with the FBR?
8	Overall what would you say is working best between the federal and provincial tax authorities?
9	What would be the most pressing issue, which should be resolved as a priority?

Annexure 4: FGD Response Sheet

Full Name of Interviewer: First Name: _____ Last Name: _____
Institution/Business: _____ Date: ____/____/____
Time: _____: AM PM

Question #	Response
1	
2	
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Signature

Annexure 5: List of Documents Consulted

1. Diamond Human Resource Assessment of the FBR, Pakistan, March 2019.
2. Environmental and Social Commitment Plan of PRRP, 2019
3. Environmental and Social Management Plan of PRRP, 2022
4. ESS 10 Guidance Note Stakeholder Engagement and Information Disclosure
5. ESS 10 Grievance Redress Mechanism Checklist June 2018
6. ESR Summary Concept Stage (2/27/2019, Report No: ESRSC00280)
7. FBR Grievance Mechanism for PRRP May 2019
8. ICR Review of Pakistan Tax Administration Reforms Project (ICRR 13997)
9. Inception Report for PRRP
10. Project Appraisal Document for PRRP
11. Taxpayers' Satisfaction Survey, FBR, 2023
12. TOR for Preparation of a Stakeholder Engagement Plan for the "Pakistan Raises RevenueProject"
13. Women Taxpayers' Data, FBR available at
<https://download1.fbr.gov.pk/Docs/2023431144913725WomanTaxpayer.pdf>.

Annexure 6: Environmental and Social Screening of FBR Offices

No.	Name of office	GPS	Checklist developed	Impact Categorization
1	Corporate Tax Office, Tax House, Nabha Road, Lahore	N: 31.564410 E: 74.309700	15-Jul-22	Medium Impact
2	RTO, Adjacent to Tax House, Nabha Road, Lahore	N: 31.564790 E: 74.309640	18-Jul-22	Medium Impact
3	Post Clearance Audit, Custom House, Lahore	N: 31.564790 E: 74.309640	18-Jul-22	Medium Impact
4	Internal Audit (Customs), Bilour Palace, Lahore	N: 31.566800 E: 74.322460	19-Jul-22	Medium Impact
5	MCC (Appraisalment), Dry Port, Mughalpura, Lahore	N: 31.558260 E: 74.375350	19-Jul-22	Medium Impact
6	I&I (Customs), Allama Iqbal Town, Lahore	N: 31.524380 E: 74.294840	20-Jul-22	Medium Impact
7	Directorate of Training (IR), Allama Iqbal Town, Lahore	N: 31.521770 E: 74.294770	20-Jul-22	Medium Impact
8	I&I (IR), Babar Block, Garden Town, Lahore	N: 31.521770 E: 74.294770	20-Jul-22	Medium Impact
9	Internal Audit (Customs), Johar Town, Lahore	N: 31.471210 E: 74.276770	21-Jul-22	Medium Impact
10	IOCO (North), Canal View Housing Society, Lahore	N: 31.474060 E: 74.251830	21-Jul-22	Medium Impact
11	RTO-II, Gulistan-e-Johar, Karachi	N: 24.91600 E: 67.123222	2-Jan-23	Medium Impact
12	Medium Taxpayers Office, Income Tax House, Shahrah-e-Kamal Ataturk, Karachi	N: 24.854028 E: 67.018028	17-Jan-23	Medium Impact
13	Corporate Taxpayers Office, Income Tax House, Shahrah-e-Kamal Ataturk, Karachi	N: 24.857370 E: 67.018400	19-Jan-23	Medium Impact
14	Regional Tax Office-I, Income Tax House, Shahrah-e-Kamal Ataturk, Karachi	N: 24.857370 E: 67.018400	20-Jan-23	Medium Impact
15	Regional Tax Office, S.I.T.E. Area, Hyderabad	N: 25.358694 E: 68.384944	17-Jan-23	Medium Impact
16	I&I (IR), Sector G-10/4, Islamabad	N: 33.676194 E: 73.028111	16-Jan-23	Medium Impact
17	Large Taxpayers Office, Mauve Area, G-9/1, Islamabad	N: 33.679910 E: 73.034880	20-Jan-23	Low Impact
18	Corporate Taxpayers Office, Mauve Area, G-9/1, Islamabad	N: 33.677450 E: 73.029670	23-Jan-23	Low Impact
19	RTO, Street 31, Mauve Area, G-9/1, Islamabad	N: 33.677450 E: 73.029670	23-Jan-23	Medium Impact
20	Internal Audit (Custom), Old CBR Building, Sector G-6, Islamabad	N: 33.714760 E: 73.086740	26-Jan-23	Medium Impact
21	Directorate of I&I (IR), Immigration Tower, G-8/1, Islamabad	N: 33.689800 E: 73.054360	27-Jan-23	Low Impact
22	Post Clearance Audit (Custom), Custom House, 24, Mauve Area, G-9/1, Islamabad	N: 33.678250 E: 73.032750	31-Jan-23	Medium Impact
23	Collectorate of Customs (MCC), Custom House, 24, Mauve Area, G-9/1, Islamabad	N: 33.678250 E: 73.032750	31-Jan-23	Medium Impact

No.	Name of office	GPS	Checklist developed	Impact Categorization
24	I&I (Customs), Plot 1, Service Road, G 10/4, Islamabad	N: 33.675850 E: 73.028210	1-Feb-23	Low Impact
25	Internal Audit (IR), CDA Block-2, G-6, Islamabad	N: 33.714400 E: 73.086700	1-Feb-23	Low Impact
26	Pakistan Custom Academy, CDA Block-III, Near Civic Centre, G-6, Islamabad	N: 33.714400 E: 73.086700	2-Feb-23	Medium Impact
27	Directorate of Training (IR), CDA Block-III, Near Civic Centre, G-6, Islamabad	N: 33.714400 E: 73.086700	2-Feb-23	Medium Impact
28	RTO, Income Tax Building, Mayo Road, Rawalpindi	N: 33.585530 E: 73.066270	3-Feb-23	Medium Impact
29	Internal Audit (IR), Income Tax Building, Mayo Road, Rawalpindi	N: 33.585530 E: 73.066270	3-Feb-23	Medium Impact
30	Data Processing Center, Income Tax Building, Mayo Road, Rawalpindi	N: 33.585530 E: 73.066270	3-Feb-23	Low Impact
31	RTO, Income Tax Building, Spinny Road, Quetta	N: 30.200250 E: 66.997080	23-Feb-23	Medium Impact
32	Transit Trade, Chaman Housing Scheme, Quetta	N: 30.215800 E: 66.989590	23-Feb-23	Low Impact
33	I&I Customs, Chaman Housing Scheme, Quetta	N: 30.221210 E: 66.991370	23-Feb-23	Low Impact
34	Custom House (Appraisalment and Preventive), Chaman Road, Quetta	N: 30.223120 E: 66.002370	24-Feb-23	Medium Impact
35	Custom (Appraisalment), NLC Dry Port, Quetta	N: 30.228910 E: 67.009010	24-Feb-23	Medium Impact
36	Customs House, Eduljee Dinshaw Road, Karachi	N: 24.848560 E: 66.991930	11-May-23	Medium Impact
37	PRAL Data Center, Custom House, Eduljee Dinshaw Road, Karachi	N: 24.848560 E: 66.991930	11-May-23	Low Impact
38	Pakistan Custom Academy, Old Custom House, Eduljee Dinshaw Road, Karachi	N: 24.848100 E: 66.992610	15-May-23	Medium Impact
39	Directorate of Transit Trade, Old Custom House, Eduljee Dinshaw Road, Karachi	N: 24.848100 E: 66.992610	15-May-23	Medium Impact
40	LTO, Molvi Tameez ud Din Road, Karachi	N: 24.844630 E: 66.993420	16-May-23	Medium Impact
41	Customs Export, Port Mohammad Bin Qasim (PMBQ), Karachi	N: 24.785050 E: 67.351290	16-May-23	Low Impact
42	Customs Appraisalment, Port Mohammad Bin Qasim, Karachi	N: 24.786640 E: 67.341110	16-May-23	Low Impact
43	RIAC on 10th Floor, New Custom House	N: 24.848560 E: 66.991930	01-Aug-23	Medium Impact
44	Custom House, Jamrud Road, Peshawar	N: 33.999440 E: 71.495860	28-Aug-23	Medium Impact
45	Tax House, Jamrud Road, Peshawar	N: 33.999200 E: 71.495470	28-Aug-23	Medium Impact
46	I&I (IR), Jamal ud Din Afghani Road, Peshawar	N: 33.969350 E: 71.419960	28-Aug-23	Low Impact
47	I&I (Customs), Hayatabad, Peshawar	N: 33.969350 E: 71.419960	28-Aug-23	Low Impact
48	RTO Sialkot	N: 32.502278 E: 74.536035	26-Feb-2024	Low Impact
49	MCC, Dry Port, Sambrial	N: 32.477946 E: 74.374455	26-Feb-2024	Medium Impact

No.	Name of office	GPS	Checklist developed	Impact Categorization
50	RTO Gujranwala	N:32.217700 E: 74.172920	26-Feb-2024	Medium Impact
51	Shahi Palace, Chatha Town, Sargodha	N:32.055120 E: 72.708710	14-Mar-2024	Low Impact
52	Tax House, Jail Road, Faisalabad	N:31.447960 E: 73.081820	15-Mar-2024	Medium Impact
53	Regional Tax Office, Abbottabad	N: 34.149090 E: 73.216450	08-July-2024	Medium Impact
54	I&I (IR), Abbottabad	N: 34.193210 E: 72.239930	08-July-2024	Low Impact
55	Data Center (DR Site), IRS Academy, Lahore	N: 31.522250 E: 74.294040	20-Sep-2024	Medium Impact

Annexure 7: Feedback and Assessment from Interested Parties

Identified Party	Key Characteristics	Needs/Issues	Preferred Notification and Frequency	Specific needs and opportunities for improvement 2019- 2024
All other Sections / Units of FBR	Nationwide presence with more than 18,750 members (HR wing FBR)	<ul style="list-style-type: none"> Revenue shortfalls necessitate more revenue generation; Business Intelligence function is critical for reducing coordination gaps among revenue generating bodies for increasing revenues as well as improving sharing of critical information (between federal and provincial bodies) Electronic Waste Management as well as implementation of ESMP 	Quarterly engagement through site screening, meetings and monitoring visits	<ul style="list-style-type: none"> Specific needs of the project with regards to both Components thereby introducing new systems, technologies and standards for FBR to contribute to increased tax collection. FBR has made a considerable progress towards stakeholder involvement during the course of project implementation. A few glimpses of such stakeholder engagement include the following: <ul style="list-style-type: none"> On 9th December, 2019 FBR decided to launch Track & Trace System for major sectors in Pakistan. Sugar sector has been recognized as one of the important sectors for the track and trace system. Comprehensive and interactive dialogue and engagement of sugar sector representatives has been ensured throughout the process of introducing and implementing the track and trace system. The system has been successfully introduced with the consent and confidence of the sugar sector stakeholders. As a result of this initiative FBR registered 33% Growth in Sales Tax from Sugar Sector through Track & Trace System by March 2022. FBR's helpline has been reviewed and assessed on 23rd December 2019 for its effectiveness and was found a highly useful service for facilitating taxpayers. FBR Helpline can be reached through phone (051-111-772-772) and email (helpline@fbr.gov.pk), plus complaints can also be lodged through the website (www.fbr.gov.pk). A consultative meeting was held between the representatives of FBR and all the Provincial Revenue Authorities on 27th June 2020 to discuss matters of mutual interest including Common Portal - Single Return to facilitate taxpayers and move swiftly towards an environment conducive for doing business. On 11th November 2020, FBR successfully completed consultations with NADRA and signed an MOU with NADRA on data sharing to increase the tax base in Pakistan. Facilitation & Taxpayer Education Wing facilitates Taxpayers through E-Kachehri, Prime Minister Delivery Unit (PMDU) and FBR Helpline. Furthermore, to foster a Tax Compliant culture, Tax Awareness Session was also conducted on 4th March 2021. After continuous dialogue and consultations FBR has been successful

Identified Party	Key Characteristics	Needs/Issues	Preferred Notification and Frequency	Specific needs and opportunities for improvement 2019- 2024
				<p>in signing MOU with Board of Revenue & Estate, Khyber Pakhtunkhwa on 27th October 2021 for Data Sharing.</p> <ul style="list-style-type: none"> • On 3 January 2022 FBR launched Parliamentarians’ Tax Directory for Tax Year 2019 with a view to expand the taxpayer’s database and to improve the dissemination and access to information. • FBR initiated steps on 7th March 2022 to facilitate Temporary Registration of Overseas Pakistanis / Foreigners by collaborating with PTA & FIA. • As of 31st March 2022 FBR, registered 29.1% growth in tax collection for the period July 2021 to March 2022 despite the tax relief provided during the same period. • As part of its ongoing drive for a digital culture, FBR inaugurated Security Operations Center at FBR Headquarters, Islamabad on 31st May 2022 designed for prevention, detection, and incident response against cybersecurity attacks on the FBR IT network. • FBR has enabled refund adjustment tab in the tax return forms on 27th September 2022 for facilitation of taxpayers while filing tax returns for the year 2022 and onwards. • Chairman FBR held a meeting with Islamabad Women Chamber of Commerce and Industry on 16th September 2022 during which the Chairman ensured FBR’s full facilitation for women entrepreneurs in tax compliance. The Chairman FBR has issued directions to establish special desk at Gwadar for addressing grievances and concerns of women entrepreneurs and to facilitate them in filing tax returns. • Federal Board of Revenue on 11th December 2019 launched Authorized Economic Operators program for business community linked to IRI-7 which is being implemented by Customs Operations. During the same time period Pakistan Customs launched passenger profiling system at major airports of Pakistan. • FBR has launched the first Urdu Version of the Customs Act, 1969 on 8th February 2019 for the convenience and benefit of the traders and the business community. The version is updated till the 30th June 2018 and has been uploaded on the FBR website for easy access of the business community as well as general public. This is a major initiative of FBR in line with the requirements of Article 1 of the Trade Facilitation Agreement (TFA) which specifies the information required to be published and made available through internet in a non-discriminatory and easily accessible manner in order to enable the governments, traders and other interested parties to be acquainted with

Identified Party	Key Characteristics	Needs/Issues	Preferred Notification and Frequency	Specific needs and opportunities for improvement 2019- 2024
				<p>them.</p> <ul style="list-style-type: none"> • On 20th November 2019 Pakistan Customs has launched a specialized Risk Management System for passenger profiling at all major international airports in Pakistan. This exercise is part of the Customs Border Management Initiative (BMI). The Passenger Profiling System, “Global Travelers Assessment System” (GTAS) is now operational at seven major airports of the country for which Customs staff has been adequately trained. • Pakistan Customs drafted Risk Management Rules for clearance of cargo on 31st December 2019. Pakistan Customs is following Risk Management System since long as signatory to Revised Kyoto Convention. These rules will help in identifying high risk imports/exports while facilitating international trade as decreasing physical inspections to a large extent thus reducing dwell time and port congestion. These measures will help in reducing cost of doing business and thus further improve the business and investment environment in the country, says a press release issued by FBR. • In the same time period Pakistan & Chinese Customs Authorities held bilateral dialogue and consultations and agreed to extend cooperation in developing and expanding trade between the two countries. • Consultations held with PRAL Data Center at FBR Headquarters on 19th April 2021 during which the technical capacity of staff of Data Center was discussed with the purpose to assess the capabilities of staff to dismantle old equipment and install new equipment within minimum possible time so that services to taxpayers could be restored in as much early as possible. It was found that the staff of Data Center is capable enough to perform such technical functions as desired while upgrading the equipment. • During 19th to 23rd April 2021 a series of consultative meetings were held with FBR offices at different locations in Pakistan. During consultative session with Regional Tax Offices, it was identified that dismantling and installation activities will disrupt the services to tax payers. Therefore, timing for such activities should be decided such as after office hours or on off days. Training on communications and interaction skills may be made part of the training program. Women will be given equal opportunity for training. It was decided that private tax consultants and lawyers will be consulted during the project implementation to ensure they will not be affected by the project activities. • Regional Tax Office Multan pointed out some useful improvements in

Identified Party	Key Characteristics	Needs/Issues	Preferred Notification and Frequency	Specific needs and opportunities for improvement 2019- 2024
				<p>the software for cross checking and verification of data input by the tax payers and filers. Current software lacks such provisions. It was suggested that software may be improved step- wise for cross checking and submission of proof documents.</p> <ul style="list-style-type: none"> • Staff at different Regional Tax Offices pointed out social issues such as lack of social services including sitting room during break, cafeteria, smoking area, etc. • Similar consultative sessions were held with Pakistan Customs at regional offices in Pakistan during which social and environmental impacts of PRRP were discussed. The major concern expressed was the discontinuation of services due to dismantling and installation activities. It was suggested to utilize off days for such activities. Pakistan Customs suggested that Women employees should be given equal opportunity to get new equipment. • SSTR - Single Sales Tax Return (SSTR) has been one of the longstanding objectives of FBR owing to the legal and administrative complications. These complications arise primarily from differences in legal frameworks and administrative arrangements in FBR and Provinces. The process of development of SSTR was started in March 2023 with intensive consultations between Punjab Revenue Authority and FBR. The sessions focused on eliciting exact requirements as well as differences between sales tax returns of both revenue agencies. Once basic contours of the SSTR were developed into a prototype, a series of demonstration sessions were held to further streamline SSTR. With mutual consensus, banking sector was selected for piloting SSTR. • Consultative process behind development of SSTR had a multi-pronged approach of engaging policy makers through specified forums, engaging technical teams to guide development process and demonstrations sessions to ensure SSTR development continues. • A Tax Roundtable meeting was held on 13 September 2024 with the representatives of Telecommunication Companies (Telcos) to obtain their feedback on SSTR operations. Representatives from Telcos identified a number of policy issues with the SSTR system and suggested to resolve those issues at the earliest. Participants were informed that such policy issues would continue to appear in systems such as SSTR which would be resolved on regular basis. Therefore, we need to move forward with parallel implementation of SSTR in new sectors. During the same meeting data sharing by provincial revenue authorities was discussed. Sindh Revenue Board (SRB)

Identified Party	Key Characteristics	Needs/Issues	Preferred Notification and Frequency	Specific needs and opportunities for improvement 2019- 2024
		Business Process Mapping (BPM) and Business Process Re-Engineering (BPR)	Meetings on “as and when required” basis	<p>requested for provision of modalities and specifics of data sharing. The 3 provinces (KP, Baluchistan and Punjab) agreed to sign the MoU with FBR while SRB will join later. Similarly, representative from Oil and Gas Sector informed that SSTR is preferable for OGDCL as it will save time and cost along with bringing-in the efficiency in OGDCL. Representative from OGDCL assured full support and continuous feedback as the SSTR process moves forward.</p> <ul style="list-style-type: none"> • Procurement Committee for hiring of the consultancy services firm for the consolidation of frameworks for Central Risk Management System and Post Clearance Audit through Comprehensive Business Process Mapping and Business Process Re-Engineering for the core business processes of Pakistan Customs Services was nominated by Member Customs (Operations) in August 2024. • Virtual Meeting held on 7th August 2024 on BPM and BPR. BPR consultants have been advised to procure BPMS software in addition to the activities assigned to them under the contract. BPM/BPR of customs processes, and defining requirements for software and hardware procurements would be completed by December 2024.
Data Centers at FBR Headquarters, Islamabad and IRS Academy Lahore	Establishment of Tier three Data Center (Primary site and Disaster Recovery site), along with provision of requisite software and Data center Information Security Software	Integrated and advanced ICT active-passive data centers will help the tax authority in formulating their taxation policies on the basis of quick and efficient data access, and will also reduce the physical costs in terms of equipment expenditures, power and time consumption, and other administrative operational cost for the FBR.	Capacity building, site visits, monitoring and meetings as and when required basis.	<p>Stakeholders have been identified and involved in this initiative of PRRP since its inception. The IT Wing and PRAL have been consulted throughout the process.</p> <p>The technical analyses by the consulting firm for establishment of Data Centers in the form of “As-Is” and “To-Be” reports recommended establishment of tier-3 data center with primary site in Islamabad and Disaster Recovery site in IRS Academy, Lahore. The recommendation of sites was made on multiple factors including international standards of data center type, types of data protection and recovery, security, logistics, etc.</p> <p>Discussions were held on establishment of Disaster Recovery site at Lahore. After extensive deliberations on the technical aspects of this initiative such as net connectivity, data transfer, efficiency and security, the data center plan has been finalized.</p> <p>PRRP held a consultative meeting with Chief Systems (IT Wing) to identify and update stakeholders for Data Center activity of PRRP. Chief Systems (IT Wing) has identified following as the key stakeholders in this activity:</p> <ol style="list-style-type: none"> 1. Pakistan Customs (Ops)

Identified Party	Key Characteristics	Needs/Issues	Preferred Notification and Frequency	Specific needs and opportunities for improvement 2019- 2024
				<ol style="list-style-type: none"> 2. IT Wing of FBR 3. RTO Islamabad 4. IRS Academy, Lahore 5. Pakistan Single Window (PSW) 6. Pakistan Revenue Automation Limited (PRAL) 7. Service providers (Contractors) <p>Meetings and discussions will be held during 2024-25 with the above stakeholders identified by the IT Wing.</p>
Sea Ports of Pakistan for AEES	Sea ports receive larger number of container and cargo that needsto be scanned before allowed tobe released to importers.	Sea ports will be using the x-ray basedscanners. Health and safety of operators and drivers will need to be protected.	Capacity building, site visits, monitoring and meetings as and when required basis.	<p>During consultation with Port Qasim Authorities on 1st December 2021 as well as with Pakistan Single Window under Pakistan Customs, it was informedthat staff has the experience of operation and maintenance of x-ray based scanners. Portauthorities are aware of the PNRAregulations on licensing and use ofx-ray-based scanners. Staff is willing to develop SOPs for radiation protection in light of manufacturer’s guidelines and PNRA recommendations. SOPsfor existing scanners are already available that can be used for SOPsfor using new scanners.</p> <p>The South Asia Port Terminals (SAPT) authorities have been consulted on 8th December 2021 on the issue of installation and operation of scanners. SAPTendorsed that X-ray based scanners are known for their safety with regards to radiation they emit. The impact is not serious. Overall environmental impacts will be minimal as no new land will be acquired or developed. Only minorcivil works for installation ofscanners will be carried out. PNRA to be consulted for import and licensing of scanners. No disturbance expected to routine operations at ports.</p>
International Airports of Pakistan for AEES	Airports receive large quantities of cargo that needsto be scanned before its release to the importers.	Airports will be using the x-ray based scanners. Health and safety of operators will need to be protected	Capacity building, site visits, monitoring and meetings before and after installation of scanners.	<p>On 8th December 2021, airport cargo handling staff at Jinnah International Airport, Karachi informed that visit of World Bankteam was held in November 2021 regarding the scanning equipment required for cargo scanning. Minorcivil works will be carried out to prepare platform for the scanners. Cargo area has alternate arrangements in place, such as space, for cargo handling during civil works. A scanner is already inuse at the airport for cargo scanning. SOPs are available for existing scanners. SOPs for new scanners will be developed as per the requirements of PNRA and manufacturer’s guidelines.</p>

Identified Party	Key Characteristics	Needs/Issues	Preferred Notification and Frequency	Specific needs and opportunities for improvement 2019- 2024
Pakistan Environmental Protection Agency (Pak-EPA)	Federal Environmental Agency is responsible for drafting environmental rules and regulations and monitoring compliance.	Electronic Waste Management	Annually through meetings and sharing compliance reports if required under the law	A consultative meeting was held with Deputy Director at Pak-EPA and, Senior Lab Assistant at Pak- EPA on 21 May, 2021 where discussion on E-waste management was held. Pak-EPA informed that E-waste management rules are under process and a draft has been developed which is under validation process at Pak-EPA.
Pakistan Nuclear Regulatory Authority (PNRA)	The apex body of Government of Pakistan responsible for regulating the import, installation, use and dismantling of radiation based devices and equipment.	According to PNRA Regulation PAK/908 (Rev.1) scanner users will have to obtain two types of licenses from PNRA i.e., license to acquire x-ray-based scanners and another license to operate the scanners. Therefore, Pakistan Customs will be required to coordinate with PNRA's regional office in Karachi to obtain license to acquire scanners. Supplier will install the scanners, perform test runs, ensures quality control and provide certificate of proper operation. PNRA will also ensure the quality assurance and quality control aspects of the scanners and provides registration and license to use the scanners. PNRA will continue to check the quality controls during operational phase as and when deemed necessary. Pakistan Customs will be required to follow the PNRA's template for development of radiation protection plan and radiation	Quarterly or as required by PNRA	Program Office held consultative session with Pakistan Nuclear Regulatory Authority (PNRA) on 2 nd Dec 2021 to obtain the input of PNRA on dismantling, installation and operation of scanners at major airports and sea ports of Pakistan.

Identified Party	Key Characteristics	Needs/Issues	Preferred Notification and Frequency	Specific needs and opportunities for improvement 2019- 2024
		emergency plan.		
Culture, Tourism, Antiquities and Archives Department, Government of Sindh	The department is responsible for preservation of cultural heritage in Sindh Province.	Collaborating with the Department to seek guidance on preserving the cultural heritage if project activities are identified to have any impact on cultural sites.	Before commencement of any activity in any identified cultural site and as required by the Department. Joint site visits, meetings and sharing of information and reports.	Telephonic discussions were held with the Department during January to April 2023 on any developmental activity in Old Custom House which is declared a cultural site by the Department. Considering the cultural heritage nature of this proposed site, Pakistan Customs has identified another site on 10 th floor of new Custom House, Karachi which was agreed also by the World Bank in 2024.
GRM-PRRP FBR In-house Consultation FBR Headquarter	Internal stakeholders involved in grievances/complaints	A meeting was conducted with Ms. Zainab Mehmood Second Secretary Customs-FBR Headquarter to obtain their views about identification of stakeholders and any concern they might have in this regard Mr. Junaid Memon-Chief Customs (Reforms and Modernization)-FBR Headquarter A meeting was conducted with Mr. Junaid Memon-Chief Customs (Reforms and		6th February 2024 Following stakeholders were identified <ul style="list-style-type: none"> • Civil Aviation Authority: Airport managers and sub agencies heads are major stakeholders to be consulted at Civil Aviation Authority • Airport Security Force: Chief Security Officers • Anti Narcotics Force • Intelligence Bureau • Cargo Terminal operators / Terminal Heads • Ground Handling Agents/Custom Clearing Agents • Airport services (DHL, Gerry's dnata, Askari Airport Services Shaheen Airport services, Royal Airport Services) • Registered Ground Handling Agents Stakeholders at Sea Port: <ul style="list-style-type: none"> • Customs Agents • Container Operators 29th February 2024 Following key stakeholders were identified for AEES: <ul style="list-style-type: none"> • Chief Customs (Reforms and Modernization) • Director AEES • Director Transit Trade • Member Customs Operations (Field Offices: PMBQ, SAPT, QICT, KICT, PICT)

Identified Party	Key Characteristics	Needs/Issues	Preferred Notification and Frequency	Specific needs and opportunities for improvement 2019- 2024
		Modernization), FBR Headquarter Islamabad to obtain their views about identification of stakeholders and any concern they might have in this regard.		<p>Following steps were proposed for engaging stakeholders under PRRP:</p> <ul style="list-style-type: none"> • Conduct awareness sessions on AEES • Train customs staff to familiarize them with AEES • Utilize the Directorate of Trainings (DOT) for AEES training sessions. • Hold similar sessions with traders to secure their cooperation for AEES implementation. • Pilot AEES stakeholder engagement with customs staff at Karachi port. • Engage customs staff with AEES background knowledge or experience for these sessions. • Before engaging stakeholders for AEES acceptance, ensure comprehensive preparation on all AEES aspects on pre-implementation and during operations.

Annexure 8: Feedback and Assessment from Other Interested Parties

Identified Party	Key Characteristics	Needs/Issues	Preferred Notification and Frequency	Specific needs and opportunities for improvement Feb 2019 to June 2024
Other Interested Parties State Bank of Pakistan (SBP)	National Organization/Central Bank; Sets the monetary policy and governs all sorts of banking in Pakistan	Data Warehousing, business intelligence, and sharing of /access to databases Link with FBR database issues	State Bank officials suggested that FBR should consult State Bank, SECP, ICAP, etc., and create a level playing field for all concerned. A formal frequency for meeting/engagement between SBP and FBR needs to be established, maybe through bi-annual meetings.	The Banking Policies and Regulations Department of the State Bank sends proposals and recommendations annually to the Ministry of Finance. However, FBR and State Bank do not have any arrangements for the routine sharing of information. Banking access data is provided per request.
Securities and Exchange Commission of Pakistan (SECP)	Financial regulatory agency to develop a modern and efficient corporate sector and a capital market based on sound authority principles	Data Warehousing, business intelligence, and sharing of /access to databases. Link with FBR database issues	Since it governs private sector companies' statutes, regulations, etc., it needs to have an interface of some kind with FBR. Annual engagement with SECP will assist in streamlining Companies' registration with FBR	Better integration of data on new companies registering, and renewing their statutes and articles of associations can help FBR. FBR may consider tax proposals of SECP
Provincial Revenue Administrations (PRAs)	Each province has following departments dealing with taxes/levies: (i) the Excise and Taxation Departments, which collect the UIPT, the tax on professions, the MVT, and provincial excises; (ii) the Boards of Revenue, which collect the AIT, land taxes, stamp duty and other taxes on property transactions); and the revenue authorities that collect the GSTS	Legal obstacles in automated sharing of taxpayer information, harmonizing definitions of taxable items subject to GSTS, agreement on taxation principles and methods for calculating input adjustments for the GSTS (provincial authorities use STRIVE database to collect GSTS).	Regular quarterly engagement	Improved coordination with FBR and resolution of the GST issue is the most critical requirement. In terms of coordination with provinces and involving stakeholders for the identified needs of PRRP, stakeholder consultations have been held during the course of implementation of the project. After deliberations and consultations with stakeholders in Azad Jammu and Kashmir (AJ&K) FBR and CBR (AJ&K) agreed on National Sales Tax Return modalities and signed an MOU in this regard in January 2023. Meetings held during 2020 -2024 between FBR and Provincial Revenue Authorities on data sharing. After continuous consultations with stakeholders in Sindh and Baluchistan, FBR signed Data sharing agreements with Sindh and Baluchistan Board of Revenue in May 2023.

Identified Party	Key Characteristics	Needs/Issues	Preferred Notification and Frequency	Specific needs and opportunities for improvement Feb 2019 to June 2024
National Database and Registration Authority (NADRA)	The National Database & Registration Authority is an independent and autonomous agency under the Ministry of Interior that regulates government databases and statistically manages the sensitive registration database of all the citizens of Pakistan	Sharing data between FBR and NADRA to identify new taxpayers.	Regular quarterly engagement via project briefs with NADRA.	<p>FBR and NADRA are engaged through consultative meetings and information sharing regarding improvement in FBR digital systems and thereby increasing the tax base. A number of successes have been achieved in this regard.</p> <p>During June 2019, it was disclosed by FBR that FBR in collaboration with NADRA is providing access to the concerned persons (confidentially) for the transactions undertaken in the past in order to let the people know the transactions undertaken by them. This data will be available through secure channels from NADRA.</p> <p>In November 2020, FBR signed an MOU with NADRA concerning real-time verification of computerized national identity cards and associated details to improve FBR's service delivery standards for taxpayers as it helps to automate tax refunds prefill data in withholding statements and tax returns.</p> <p>FBR has introduced automated currency declaration system at all airports with the assistance of NADRA. This digital system was developed with the assistance of NADRA and FIA and has been deployed at all International Airports, starting from Islamabad International Airport. This new system is a hassle free and time saving, one stop solution for all incoming and outgoing passengers.</p> <p>NADRA provides services to FBR for the biometric verification of traders to complete the registration process of GST for FBR.</p>
Karachi Chamber of Commerce and Industry (KCCI)	KCCI represents the Business and Industrial Community in the city of Karachi, contributing more than 65% revenue to the national exchequer and a city of more than 22 million dwellers.	Timely resolution of taxation issues of KCCI members	Annual engagement through meetings	A meeting was held on 17 May 2024 to involve KCCI in improving the process for resolution of taxation issues and reducing the timelines for resolving various types of issues. KCCI through a presentation, suggested a number of measures of which the Digitalization of taxation system was given more importance. KCCI representatives were informed that PRRP is working on introducing the digitalization of taxation system and transforming FBR into modern technology based organization in Pakistan. KCCI was assured that the suggestions have been recorded

Identified Party	Key Characteristics	Needs/Issues	Preferred Notification and Frequency	Specific needs and opportunities for improvement Feb 2019 to June 2024
				and necessary action will be taken in due course of time for the improvement of tax culture in Pakistan.

Annexure 9: Feedback and Assessment from Affected Parties

Identified Party	Consultation Needs/Issues	Feedback and specific needs
<p>Affected Parties</p> <p>Electronic ScrapDealers</p>	<p>Proper disposal/recycling of e-waste expected to be generated through PRRP technology acquisition component.</p>	<p>Consultations with scrap dealers held during 23 to 28 April 2021. The scrap dealers handover their scrap to recyclers. According to them these established scrap businesses are not involved in illegal E-waste disposal such as burning for extraction of copper from wires, etc. However, some of the scrap including e-waste may end up in waste dumps due to ignorance of scrap dealers about proper disposal. Scrap dealers need to be informed about the dangers of inappropriate disposal of e-waste. Scrap dealers are to be linked with e-waste recyclers.</p>
<p>E-waste recyclers</p>	<p>Recycling of e-waste while avoiding traditional and environment damaging disposal such as burning and acid application</p>	<p>Recycling companies exist in Pakistan that have setup throughout Pakistan for collecting e- waste and recycling at their facilities. A round of consultation will be held before handing over the e-waste to any recycler for awareness creation and ensuring proper recycling of e-waste.</p>
<p>E-waste DisposalWorkers</p>	<p>Health and safety of workers at risk if e-waste disposal carried out traditionally using burning method or acid application.</p>	<p>The workers involved in disposal of e-waste have been consulted at the ESMP development stage in May 2021. It was felt important to consult such workers and explore their view point on e-waste disposal practices that directly affect their health and social well-being. During consultation with these workers it was found that:</p> <ol style="list-style-type: none"> These workers work on two systems i.e., some buy discarded scrap from scrap dealers to extract useful materials at their site and sell extracted materials to earn profits. This is the key point where e-waste could be disposed-off through burning as the workers do not have facilities for proper recycling. Other type of workers is employed workers on daily wages when larger scrap dealers in big cities give them task order to extract valuables from the scrap provided by scrap dealers. Similar to above, this system also allows burning of e-waste by the workers and not by the scrap dealers. The daily wages range between PKR 400 to 600 depending upon the workload. Sometimes workers have to work for more than 12 hours a day. Burning is carried out mainly for extracting copper from wires. Burning is applied only if the wires are damaged so much so that they are not able to be used again. Burning produce toxic fumes that

		<p>cause asthma problems for the workers.</p> <p>e. Workers remove parts from the circuit boards manually and collect them in bags that they handover to the scrap dealers for onward transportation to recyclers. Leftover circuit boards are also managed the similar way. Acid dipping is usually avoided. Burning of circuit boards is also practiced for extraction of metals.</p> <p>f. There are no unions, no freedom of association and workers have no right to put forward their genuine social demands.</p> <p>g. Workers did not complain about any type of discrimination.</p> <p>h. No protective gear is used by the workers such as gas masks. Workers use cloth pieces to cover their nose during work.</p> <p>PRRP needs to work with these workers and allied businesses to ensure that these workers are well informed about the e-waste impacts, they are provided with the safety gear and that illegal or indiscriminate disposal of e-waste is prohibited</p>
Tax Consultants/Lawyers/ Custom Clearance Agents	To determine their perceptions of the level of impact from PRRP	<p>During consultations with individual tax consultants and tax lawyers in April to May 2021, it was noted that tax consultants do not rely solely on services to tax payers for filing of income tax or other taxes. Rather, this contributes a little in the total earning which is not even regular every year. It fluctuates every year. Lawyers' main services are litigations on tax issues.</p> <p>Although experts in tax related matters, the online systems are even complicated for these consultants. Sometimes and with some specific client they also have difficulties in filling out the online forms. Individuals want to avoid these situations and difficulties.</p> <p>PRRP may affect tax consultants if new systems provide ease of filing tax returns provided that number of taxpayers remains the same i.e., no additional taxpayers brought into the system. If new taxpayers are added into the system, then PRRP may not affect their services, instead clients may increase to some extent.</p>
Tax Return Filers (all classes of taxpayers) i.e. citizens of Pakistan	Since taxation is passed on to the end consumer in most cases, citizens tend to lose purchasing power. Also, there is a general distrust among citizens on the use of the revenue generated, mostly perceiving it to go into individual pockets of revenue staff, retailers, etc. and none of it is spent on public goods and welfare.	<p>During 13 to 15 September 2021 a series of consultations were held with individual taxpayers and return filers to identify the impacts of PRRP on this group of affected persons. Tax filing system is complicated for individual taxpayers and return filers. Salaried individuals prefer tax consultants so as to be safe from any actions by FBR or their employers. It is quite difficult to say that individual taxpayers will stop using the services of tax consultants as tax related matters have legal requirements and as such</p>

		<p>people avoid any mistake in using FBR web interface at their own.</p> <p>The project will prepare a robust and communicative engagement strategy with the citizens of Pakistan to improve their understanding of the improved taxation regime that is to be introduced and create an enabling environment for citizens to pay taxes.</p>
Representatives of manufacturer associations/ Business Associations (PVMA, PWMA)	High-risk sectors, implementation of policies such as electronic monitoring and track and trace. Consumer businesses Restaurants and other services – issues of double taxation and GSTS	During consultations with these associations in April 2019 , it was communicated that the Project aims to improve overall revenue receipts by broadening the tax base, automating tax-paying systems, improving business intelligence functions, and facilitating compliance. The business associations felt these measures are likely to affect their sector outputs and the associations' agendas. Therefore, more consultations with these associations will be held during implementation of the project.
SMEs (represented by UNISAME)	Simplified procedures and clarity on the tax system. Trade facilitation measures, which may impact them.	Consultations held during March to April 2019. The sector needs friendly policies, simple return forms, and removal of trust deficit, respect for the taxpayer, lowering of the tax rate, removal of multiple taxes, treatment of family business as a single assessment. Focus on tax incentives for new, innovative, and import substitution industries.

Annexure 10: Feedback from Vulnerable Individual Groups

Identified Party	Key Characteristics	Needs/Issues	Preferred Notification and Frequency	Specific needs 2019 - 2024
<p>Vulnerable Individuals /Groups</p> <p>Women employees of FBR</p>	<p>Comprise very small % of staff -4.6% of FBR staff is female</p>	<p>Job retention, promotion, and incentives; Non-Discrimination and equal opportunities. Need an enabling environment and performance incentives for staff based on a robust appraisal system and measures to promote a more diverse workforce by improving the attraction and retention of women.</p>	<p>The level of engagement and frequency may be determined through engagement with the IRS Staff Association</p>	<p>Daycare Facilities as well as common sitting room in the field formations and urban centers.</p> <p>Based on recommendations, FBR is on its way to develop and improve the following:</p> <ul style="list-style-type: none"> • Providing Daycare facilities to women employees • Temporary accommodation for women employees on transferrable posts • Proper washrooms for females in all offices • Transport/ pick and drop facilities for women employees • Employee assistance and counseling services to ensure the well-being of their women workforce. • Digital technology & social media platforms to enable everyone to engage in safe public spaces and to provide opportunities for e-commerce allowing women to generate income by tapping into digital markets.
<p>Women Taxpayers</p>	<p>As an essential component of overall taxpayers in the country at individual or corporate/ entrepreneurial level</p>	<p>Simplified procedures and clarity on the tax system. Trade facilitation measures, which may impact them.</p>	<p>Engagement may be bi-annual.</p>	<p><u>20th July 2024</u></p> <p>Women taxpayers were consulted to identify and integrate their specific needs into PRRP activities, aiming to document practical challenges faced through an online questionnaire.</p> <ul style="list-style-type: none"> • Participants included 20 women from FBR (BS 17-19) from Punjab, Sindh, and Islamabad, all regular FBR taxpayers. • Majority (18) file returns independently, with some facing challenges like

				<p>calculating liabilities and entering correct data.</p> <ul style="list-style-type: none"> • 18 respondents find the IRIS landing page easily accessible; mixed awareness and usage of FBR's video tutorial. • Suggestions for improvement include covering all return sections in tutorials and enhancing the Maloomat portal's layout and navigation. • Respondents expressed interest in informative video tutorials and emphasized the need for simplified tax forms.
Taxpayers with low literacy	Uneducated, low literate people finding difficulty in understanding tax terminology as well as understanding the IT based systems			Consulting with taxpayers having low IT literacy involves small and medium business and services including contractors, franchisees etc. Survey/selected group discussions will be made.
Persons with Disabilities	People with physical disabilities such as low vision, etc.	The needs of disabled persons to be identified and incorporated in PRRP activities ensuring that PRRP avoids negative impacts on disabled and that technology improvement ensures facilitation of disabled	Informal Interview	<p>3rd July 2024</p> <p>Consulting with persons with disabilities during PRRP implementation is crucial to identifying and integrating their specific needs, minimizing adverse impacts, and leveraging technology for better accommodation.</p> <p>Gathering insights from Director Budget-AGPR on tax filing challenges faced by persons with disabilities was essential to document their practical concerns and address them effectively. He highlighted concerns regarding the needs of persons with disabilities when filing their tax returns:</p> <ul style="list-style-type: none"> • Data regarding persons with disabilities is not synchronized at the national level in Pakistan, leading to significant variations among records held by NADRA, the National Institute of Handicapped, and the National Council for Rehabilitation of Disabled Persons.

				<ul style="list-style-type: none"> • There is currently no data on taxpayers with disabilities within FBR. • Once a person with disabilities enters the tax system, they face heavier burdens compared to non-filers, as the rest of the system operates outside the tax net. • Persons with disabilities receive minimal assistance as taxpayers, except for visually impaired persons, for whom bright colors and large size icons on the FBR website interface upgraded in 2023 aid recognition. • Policy-level decisions are needed to ensure tax policies are inclusive of the needs of persons with disabilities.
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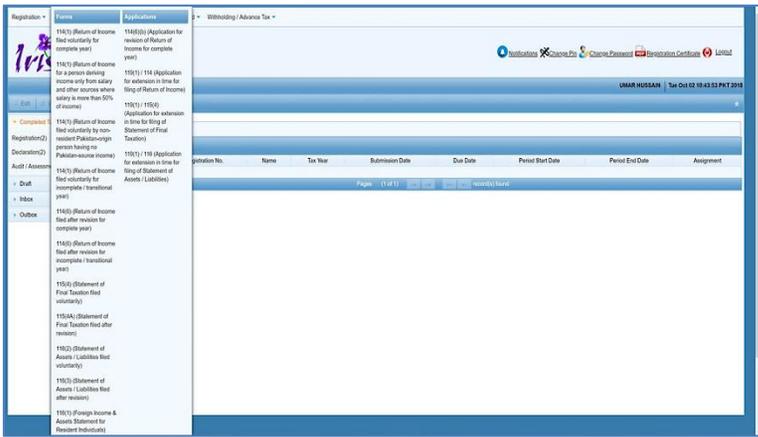


Figure 7: Previous FBR Tax Return Filing interface

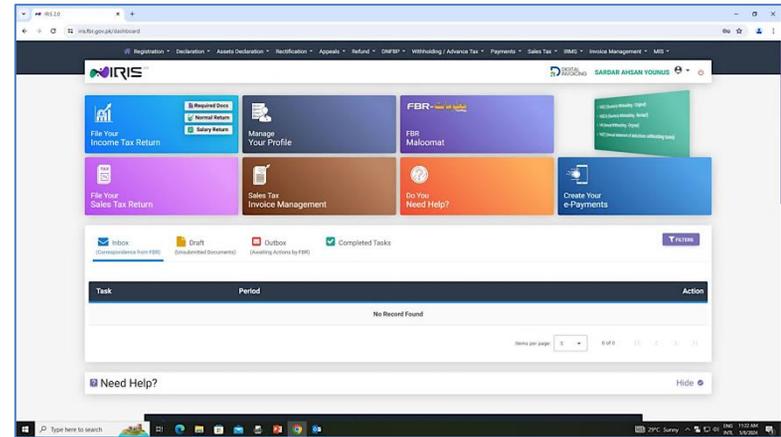


Figure 8: Improved FBR Tax Return Filing interface supporting visually impaired taxpayers

