



**Program Support Unit
Sindh Devolved Social Services Program
Finance Department, Government of Sindh**



Loan No. 2049-PAK: Sindh Devolved Social Services Project

Quarterly Progress Reports

1st September to 30 November 2005 - 6th quarter
1 December 2005 to 28 February 2006 - 7th Quarter

1. Summary Part

Financed through Asian Development Bank and implemented over a period of three years Sindh Devolved Social Services Program SDSSP is a direct budgetary support to improve service delivery in education, health, water & sanitation sectors. The Program would achieve its targets by enhancing the service delivery capacity of relevant departments in the district governments and taluka/ town administrations by providing additional financing. The DSSP is built around basic set of policy reforms, which will create an enabling environment for local governments (LGs) to finance the identified institutional, social, financial, and capacity needs in service delivery at provincial as well as local levels.

This report aims at highlighting activities in two areas: i) progress achieved with respect to funds transferred in year 2004-05 and; ii) efforts made for improving the guidelines, expanding the program network, continued interaction with the local governments and ADB. Brief on these activities is given as under: -

i. Progress on year 2004-05

During the period under report the 78 local governments (15 districts and 63 TMAs) out of total 116 (16 districts and 100 TMAs) continued their efforts in utilizing the funds as per their approved annual sector plans (ASPs). Two districts namely Mirpurkhas and Larkano however could not utilize any percentage of the funds during the year for the reasons that their councils did not exist for a considerable time and until the recent election were held. The new councils and the political leadership of these two districts have now geared up their efforts towards achieving considerable progress so as to be eligible to access next tranche of ADF.

ii. Improved Sector Planning Guidelines

The Provincial Steering Committee (PSC) approved the circulation of new sector planning guidelines, which were developed through a series of consultations with the provincial line departments (PLDs) and local governments (LGs). Drafts of the guidelines were shared with the PLDs for quality review to ensure the continuity of provincial policies and application of the existing planning Manuals and practices. Guidelines have been published and posted on website www.sdssp.gov.pk/guidelines. The Program Support Unit (PSU) is also posting the entire district and TMA plans on the website. To assist the LGs in the preparation of their plans, the PSU has continued its efforts through provincial and district seminars / workshops. This support has resulted in enhancing the capacities and confidence in the officials of the local governments.

iii. Expanding the Program Network

Immediately after the new political leaders took over the districts' and Towns / Talukas' administration and the new councils were sworn in, the PSC and the executing agency spared no time in getting the new leadership around the table for to share the concepts of the SDSS Program to ensure the continuity of the activities. Advisor to Chief Minister and the Secretary, Finance Department - the executing agency, invited new district and TMA Nazims for briefing in two sessions where the Nazims of those TMAs who had not yet signed the MoUs were also requested to do so, so that their TMAs could access the SDSSP funds in year 2005-06. LGs who could not access their share for year 2004-05 would be considered and their share for both years 2004-05 and 2005-06 would be transferred after they sign the MoU and prepare their ASPs.

The Chief Secretary, Sindh also held a detailed session with the PLD Secretaries to review the progress on the third tranche actions and issued instructions for the institutionalization of various reforms envisaged through SDSSP.

iv. Continued Support and Interaction with LGs

In addition to workshops and seminars, the PSU continued its district contact initiative during the period under report. The Program officers visited, separately and jointly as a team, various districts and TMAs to see and to show the support for the works continuing there. The visits also provided opportunity for reviewing the situation with the LGs. During this period this period the PSU team visited and interacted with the district / TMA officials of districts of Ghotki, Shikarpur, Khairpur, Sukkur, Hyderabad, Badin, Kashmore, Jacobabad, Larkano and Kambar. The PSU owes a word of appreciation for the political leaders, district coordination officers and other officials of the district governments and TMAs for extending full support towards the PSU team during such visits. It is expected that the visits have helped in sensitizing the LGs' officials towards aims and objectives of SDSSP. Visit reports are posted on the SDSSP website.

v. Interaction with ADB

The ongoing partnership between ADB and Sindh witnessed a new turn in relationship when Mr. Kunio Senga, Director General, Social Sector Division visited Sindh on 3rd September 2005. On 5th September, the visiting President of the ADB invited the Minister and Secretary Finance to lunch at Islamabad and discussed enhancing investments in Sindh.

During the period the Sindh team also had the opportunity to visit the ADB Headquarters at Manila twice. In September, the team headed by the Secretary Finance and comprising of Program Director, one DCO and one TMO participated in Pakistan DSSP round table conference at Manila. In December, a team headed by the Additional Chief Secretary (Dev) and comprising of Secretary Finance, Program Director and EDO (F&P) Karachi visited to review the progress and status on third tranche conditions.

In January 2006 the ADB Review Mission headed by Ms. Linda Arthur visited Sindh to review the progress on policy actions for third tranche. The Mission also visited the two districts and their TMAs to assess the situation on ground. Aid memoir at website www.sdssp.gov.pk/missions

vi. Interaction with other agencies

PSU has initiated contacts with other players in the related fields. PSU is in an advanced stage in forging partnerships with the LEAD and IUCN Pakistan. Details of such partnerships are being worked out to learn from experiences of each other and extend the agenda of reform through consent and consultation. PSU also facilitated in a group discussion with the lead NGOs to work out strategy for involving the community and community based organizations in the service delivery. www.sdssp.gov.pk

2. Technical Part

Description	Assessment of Progress-to-date
A. Program and Sector Management and Monitoring	
a. PSU shall ensure that all the initiatives envisioned under the Program are carried out as per the Policy Matrix.	During the period under report the PSU remained engaged with the local governments, provincial line departments and ADB for achieving the compliance with the third tranche actions. Compliance with certain tranche conditions is in the advance stage. All conditions would expectedly be completed by the due date.
b. PSU shall implement a system of Program monitoring and shall implement the Project.	In the absence of a Monitoring & Evaluation Specialist till January 06 the program officers have been monitoring the program activities through performas and field visits. The M&E Specialist has joined in January and now he and the Deputy Program Director or working on an institutional monitoring mechanism to be implemented throughout the Sindh province. Award for a study for Third Party Validation (TPV) for validation of the processes was also in an advanced stage for which modalities have been agreed with the ADB. PSU will then start a process for physical validation of the schemes headed by the M&E Specialist and supported by the assistants to be hired from the market. LSUs will however remain the kingpins in the whole process.
c. PSU shall track the flow of funds and monitor financial management of the proceeds of the Loan	<p><u>Districts:</u> Total Allocation: 1326 millions Total Disbursement: 1001 millions Utilization: 31st January 48%</p> <p><u>TMAS</u> Total Allocation: 568 millions Total Disbursement: 345 millions Utilization: 31st January 65 %</p>
B. Capacity Building	
a. PSU shall organize awareness campaigns about Sindh's poverty reduction strategy, strengthening of participatory planning, and rationalization of services, support for CBOs and devolved social services.	PSU held workshops during the period January to August to apprise the district and TMA functionaries and other stakeholders on the concepts and covenants of MoUs, participatory planning, rationalization of services and role of community in the service delivery. As a result of such initiatives the number of LGs signing the MoU with the GoS has increased. Now all 23 districts and 109 TMAs out of total 119 have signed the MoUs and have agreed to preparation of ASPs for year 2005-06.
b. LSU will strengthen the DGs and the TMAs in the areas of: (a) annual planning and budgeting for social services using a	F&G Specialists and Program Assistants in LSUs (13 of them established so far) immediately after a 3-day workshop took up their responsibilities and have so far

<p>participatory approach; (b) gender mainstreaming; (c) social sector management and monitoring; (d) financial management as required; (e) strengthening of linkages of governments and communities; and (f) capacity building of the CBOs.</p>	<p>performed well in assisting the DGs and TMAs in preparation of ASPs, collection of data required by the PSU and establishing links with various local agencies. Following are some of the activities happening in the LSUs:</p> <ul style="list-style-type: none"> • It was agreed with DG and TMAs that women participation in every walk of life is necessary and for this purpose every council committee consists of atleast 20% female members and the local women will get preference in hiring • It was discussed in various meetings that there should be a mechanism for social sector management and monitoring on the scientific lines to enhance the overall performance and progress of social sector and that the LSU staff will provide necessary assistance for this purpose • SDSSP provides a very effective platform for creating linkages between the government and society The mandatory utilization of SDSSP funds through CBOs would created an effective link between the public and CBOs which was almost non-existent before the implementation of DSSP • A District Development Forum has been formed in Jacobabad consisting of all the Donor and government agencies with especially assigned task of tracking the CBOs working in different sectors and to help in their capacity building by organizing periodic workshops
<p>C. Sector Specific Reforms</p>	
<p>a. Education: Sindh shall examine, with the assistance of consultants, a range of policy issues such as the functioning of the SMCs, contracting teachers, and affordability of education.</p>	<p>Provincial Government has recently established Reform Support Unit to strengthen the reform process, especially in the areas of incentives i.e. SMC funding, Stipends for girls and distribution of free text- books.</p> <p>Education Department is also reviewing the Teacher's Training and Recruitment procedures and is in process of launching a project, in assistance with Canadian International Development Agency (CIDA).</p>
<p>b. Health: (a) health boards and patient associations shall be established to strengthen local participation in managing services; and (b) studies shall be undertaken, vis-à-vis, contracting arrangements for staff and public-private partnership, improving the financial sustainability of health facilities, and rationalizing and operationalizing closed health facilities</p>	<p>Hospital management committees are already established at various facilities. In this regard District Hyderabad, Sanghar and Tando Allahyar are ahead. These committees are functional at DHQ, THQ and RHC level and involvement of various stakeholders' especially civil society in solving health service delivery issues is evident.</p> <p>Moreover, to have government's ownership and uniformity in action, draft constitution of Health facilities management committees has been sent to health</p>

	<p>department for review and concurrence.</p> <p>HoD has already taken initiative to engage civil society organizations (SRSO) to operate primary health care facilities in eight districts.</p> <p>Once the framework is finalized than the areas could be identified for further study and survey.</p>
<p>c. Water and Sanitation: (a) technical support shall be provided for the capacity building of the TMAs, including financial management and monitoring system, categorization of schemes, consumer surveys, preparation of a master plan for the TMAs and capacity building and support for the VDAs to manage water and sanitation services; and (b) with the assistance of consultants and using a participatory process, interim policies for the water and sanitation sector shall be prepared, including for solid waste management in general and of hospitals, health centers and drinking water and sanitation in particular.</p>	<p>Important aspects of the sector planning were discussed in the workshops held for the purpose. PFC specialist has sent formats to TMAs for data collection.</p> <p>PSU is following the work under Environmental Management TA for the preparation of interim policies on water and sanitation. Policies will be finalized by the due date of 30 April.</p>

3. Financial Part

Counterpart Funds	
<p>a. Amount requested by the Executing Agency for allocation in the annual budget</p> <p style="text-align: right;">2004-2005 2005-2006</p>	<p>Rs. 178.842 Million Rs. 23.695 Million</p>
<p>b. Amount approved by the Government in the annual budget</p> <p style="text-align: right;">2004-2005 2005-2006</p>	<p>Rs. 147.607 Million Rs. 23.699 Million</p>
<p>c. Amount of utilization to date (28 Feb 2006)</p>	<p>Rs. 20.08 Million</p>
<p>d. Difficulties in getting the allocated amount released due to budgetary or other procedures</p>	<p>Nil</p>

4. Management and Operations Part

<p>a. <i>Any changes in the organization of the Executing Agency, its management, etc</i></p>	<p>After the establishment of Local Finance Wing in the Finance Department to streamline the transfers to the local governments, tracking the expenditures, and nominating the Additional Secretary (LF) as the Focal Person for SDSSP, the wing has assumed the role of a natural partner in the implementation of the SDSSP.</p> <p>There is also an addition of the post of Special Finance Secretary (Dev) who has been assigned the</p>
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	duties of dealing with the SDSSP and other government and foreign funded projects.
b. <i>Status of the Project Office and / or Field Office staffing</i>	<p>PSU: The PSU has been fully operationalized in its new premises.</p> <p>PSU Counterpart Staff: Post of Deputy Program Director has been filled. Out of five program officers provided earlier, two officers for WSS sector and Institutional Development were posted out. The LGD has provided new WSS officer who has assumed his duties while request has been sent to Chief Secretary for posting of one Program officers. Positions of Accounts Officer and Manager MIS have been filled.</p> <p>PSU / LSU Staffing: PSU continued efforts for the hiring of support staff and consultants. Hiring of support staff for PSU is almost complete. Vacant positions for the support staff in LSUs and the consultants in PSU and LSU advertised. Hiring process will be completed in next quarter.</p>
c. <i>Any significant decisions made in relation to particular loan covenants</i>	NIL

5. Loan Covenants and other Miscellaneous Matter.

- I. Loan Covenants
(Use PAM Appendix 9, pages 3-4)
- II. Expected Progress for the next reporting period
 - Transfer of second tranche (ADF) to local governments
 - Implementation of the strategy for TA Management through PLDs
 - Procurement of goods and services under TA Management for PLDs
 - Recruitment of consultants and support staff
 - Full operationalization of LSUs
- III. Problems encountered which significantly affected the implementation of the Projects:
 - Districts and TMAs are working with less strength of staff. Lot of positions (officers and clerical) are vacant
 - Newly bifurcated districts and TMAs are facing the major crunch as they neither have the proper offices nor staff to perform the routine duties even
 - Non-availability of adequate information for preparation of ASPs
 - Transfers and postings of key EDOs during the program period especially during the process of preparation of ASPs
 - Lack of knowledgeable and trained staff and sometimes lack of interest and motivation of the staff to work on the reform agenda

IV. Actions Taken and/or Proposed:

- Maintenance of database and proper record of all the relevant information in all districts in the first phase and subsequently in the TMAs through Technical Assistance Management Strategy
- Enabling district departmental heads to be responsible for providing the required information in any forum or meeting
- Periodic training sessions held at district level for the Local officials in order to build their capacity and working abilities