



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



FD-PD (DSSP)/PSU /5(3)/07
Karachi, Dated 24/10/2007

Minutes of the 9th Meeting of the Provincial Steering Committee

A meeting of PSC of SDSSP was held on 6th September 2007 in the office of ACS (Dev) with ACS (Dev) in chair. Meeting started in the name of the Allah, the most gracious the most beneficent.

On the outset the PD informed the meeting that SDSSP has accessed its 3rd tranche in August 2007. ACS (Dev) commended the performance of SDSSP for successfully meeting its timelines and remarked that the SDSSP was the first such program in the recent development history of Sindh which has achieved 100% funding within the agreed program period. He said that Program Director and his team deserved full recognition for their efforts and achievement and that any proposal for incentive/award for the project team would be considered favorably.

Agenda Item:

a) Disbursement and Utilization of SDSSP Grants:

Program Director apprised the meeting on the status of transfers of Conditional Grants (ADF) to Districts and TMAs that as per PFC decision the second ADF grants have been given to districts and TMAs in two installments of 50% each On the basis of following criteria:

- Substantive utilization of 1st installment of 50% of SDSSP funds
- 100% utilization of SDSSP funds for the year 2004-05

Monitoring report submitted by the Council’s Monitoring Committee for which a Monitoring Framework has been provided to strengthen the council’s monitoring role

PSC reviewed the District and TMA wise progress report on transfers and utilization as under and expressed concern on the low utilization of conditional grants by the districts. PSC however expressed satisfaction the utilization status in TMAs.

Districts: In all 17 districts have accessed the 2nd year grants while two districts Umerkot and Tando Allah Yar have accessed their 100% grants.

(Figures in millions)

Year of ADF	Total ADF Available	No. of DGs Accessed ADF	Total ADF Transferred	Balance A/C-I
1 st ADF	1,344.806	17	1134.610	210.196
2 nd ADF	1,399.945	17	318.516	1,081.429
3 rd ADF	1,533.179	-	-	1,533.179 -

TMA: In the second year (2005-2006) all 119 TMAs accessed the conditional grant. 90 TMAs have accessed 100% conditional grant.

Year of ADF	Total Available	No. Of TMAs accessed ADF	Total ADF Transferred	Balance A/C-I
2004-05	576.345	109	544.959	31.386
2005-06	599.976	119	449.998	149.978
2006-07	657.077	-	-	657.077

Overall ADF Status:

Year of ADF	Total Available	Total ADF Transferred	Balance A/C-I
2004-05	1,921.151	1679.569	241.582
2006-07	1,999.921	768.514	1231.407
	3,921.072	2448.083	1,472.989
2007-08	2,190.256		2,190.256
Total:	6,111.328		3,663.245

b) 3rd year Plans and disbursements:

Responding to the concerns of PSC on delay in the preparation of ASPs by the districts the PD informed that the preparation of ASPs is a major reform initiative under SDSSP with a paradigm shift in planning processes from scheme to sector planning mode at Local Government levels. He informed that the guidelines for Annual Sector Planning have now been further improved for 3rd Year and circulated amongst the districts and TMAs with the approval of the Technical Working Group. He informed that so far 87 TMAs have got their ASPs approved alongwith the annual budget for 2007-8 from their councils. However, among the districts only Mirpurkhas has got the sector plans approved from their council as a result of an innovated approach introduced by the PSU.

PD SDSSP informed the meeting that to streamline the sector planning approach and to make it a permanent feature of planning process PSU has initiated process for organizing **Planning Conventions** for focused discussion on issues, to ensure the level of understanding and comprehension, and to expedite the process for preparation of Sector Plans reflecting all aspects of financing including district ADP, provincial grants and conditional grants.

He also informed that efforts were being made to specially assist those districts who have not been able to access 2nd year grants so that they can access the 2nd and 3rd year grants simultaneously and complete utilization within the time frame.

PD proposed that after the receipt of 3rd tranche we might start the process of disbursement of 3rd year conditional grants to qualifying local governments as per PFC approved formula.

PD proposed that due to lack of capacity of EDO (CDD) office CBO component of 2nd ADF might be utilized for strengthening HMCs, SMCs, etc. In the meantime CDD group of offices be strengthened on the basis of assessment being carried out by SDSSP through its TA in consultation of district governments as they would have to bear recurrent cost of capacity building investments

C) Extension for TA Loan 2049/Pak

PD informed the meeting that since the districts have not been able to utilize their second ADF conditional grants by the end of year 2006-07 therefore, it would not be possible for them to access and utilize the 3rd year grants within year 2007-08. PD was of the view that an additional year would be required for overseeing the utilization of balance conditional grant and the savings from the debt retirement. He therefore requested PSC that the period of the TA Project (2049/Pak) may be extended from current date August 2008 to December 2009 to give adequate time to Project to oversee the implementation and carry out assessment surveys thereafter to prepare final reports on the achievement of program objectives. On a query of the Chair, the PD informed that there will be no additional financial implication and the savings from the current allocation would suffice.

Decisions:

- a) Certificates/Incentives/Awards will be given to SDSSP team by ACS (D) for their achievement
- b) Planning Conventions would be held in consultation in district governments.
- c) Only HMCs, SMCs etc. would be supported through CBO component of 2nd ADF. Subsequently, CBOs outside public sector would be supported in 3rd ADF.
- d) Capacity of offices of EDO (CDD) and EDO (F&P) will be enhanced through TA of SDSSP in consultation of district governments keeping in view their capacity to absorb recurrent costs of such an initiative in their budgets after SDSSP was over.
- e) Program Director will communicate to ADB the Sindh position on the extension of TA Project 2049/Pak

Agenda Item: 2

Approval of PSU-SDSSP Budget for the year 2007-08

PD presented the budget proposal for the year 2007-08 in line with annual phasing given in the approved PC-I. It was however submitted that project period is to be completed by February 01, 2008 as per loan agreement. However, ADB has conveyed the closing date as 1st August 2008 giving six months for finally winding up the activities, payments, reconciliations etc. Now since the operation of the PSU would continue for the whole year, the budget has been prepared accordingly without any additional financial implication.

The budget proposes increase of project allowance for Program Director, Deputy Program Director to bring it at par with the project allowances in Karachi Mega City sustainable Development Project and provision of house rent for project officers as per government ceiling for DS/AS flats.

Decision:

- a) Budget for the year 2007-08 was approved.
- b) ACS (D) observed that project allowance for KMCP officers was decided by the program's PSC therefore PSC of SDSSP was also competent for the same and for the provision of house rent as that was well within approved PC-I. It was further observed that project allowances for all positions in SDSSP except for PD and DPD were already equivalent to that of KMCP. It was therefore decided to increase the allowance for PD by Rs. 20,000 and that of DPD for Rs. 15,000 to bring them at par with their corresponding positions in KMCP. House rent for officers of BS-18/19 was fixed at Rs. 35,000 as decided by government for DS flats.

Agenda Item – 3

Submission of Audit Reports for the year 05-06

PD informed the meeting that audit for the expenditure incurred during the year 2005-06 has been completed by the Director General Audit Sindh with few audit observations of procedural nature. To address these audit observations, PSU has submitted all the required documents with necessary explanation to DG, Audit Sindh for removal of observations. By and large, the expenditure incurred during the year 2005-06 is strictly in line with the approved PC-I and Accounting System of PSU. PD presented the details audit observations and response filed by the PSU.

Decision:

- a) PSC showed satisfaction over the performance of PSU for adhering to accounting system and audit requirements. It agreed with the response of PSU regarding audit objections.

Agenda Item - 4

Establishment of Master Planning Unit (MPU)

PSC was informed that pursuant to the decision of the meeting attended by the Advisors to Chief Minister for Finance and Local Government dated 26 April 2006 a Master Planning Unit (MPU) has been established in the secretariat of the local government department with the approval of the Minister Local Government. According to the above decision the MPU will be

funded initially by the SDSSP through TA while government will contribute from the next year onwards.

It was informed that the Technical Committee for leading the Master Planning process has been notified with the approval of the Chief Secretary vide Notification No SOA (LG)/4(22)/2007 DATED 22ND June, 2007. The technical committee has further constituted two committees for deciding the basic framework, methodology and financial plan.

PD informed that the scope of the scheme for establishing the MPU was to assist and guide TMAs to conduct various surveys, prepare GIS maps and develop their master plans for improving the services infrastructure in a planned and systematic manner upto year 2030. The exercise of master planning will help in planning for the medium and long term objectives. The master planning unit will also have the expertise to assist the government in the policy formulation, designing and implementation of all locally or foreign funded projects like federally funded safe drinking water project or ADB assisted Sindh Cities Improvement project.

PSC was requested to allow the preparation of financial plan and PC-II leading towards incurring expenditure for the establishment of the MPU as per government and ADB procedures.

Decision: PSC observed that since this unit's function was associated basically with the Taluka/ Town Planning therefore the wider connotation of Master Planning Unit seemed beyond its objectives. It was decided that this issue may be deliberated upon by two sub committees of technical committee of MPU and might suggest change of nomenclature from Master Planning Unit to Town Planning Unit. PSC however allowed the preparation PC-II for the establishment of Unit.

Agenda Item 5

Model Districts:

While presenting the concept paper on model districts PD explained that the concept for implementing reform in a holistic manner in two Model Districts has been evolved with the aim to enhance the capacity of districts, their allied TMAs and elected representatives in new Local Government system. The basic idea behind this project is to create District Reform Units to institutionalize and consolidate the reform activities undertaken so far. Subsequently these models will be replicated all over Sindh to continue with reform process as assisted by Model District Government. To implement this project PSU will also learn and seek support from the existing models like NCHD in various districts in Pakistan, GTZ (German Technical Assistance) in NWFP, DFID in Faisalabad and British council etc.

It was proposed that in first phase this initiative may be started in two districts. District Matiari has taken the lead and sent a proposal in this regard. PSC was requested to approve two districts for this initiative.

Decision: It was agreed that one district with weaker base and other with stronger base should be selected. In this regard, PSC selected Matiari and Jacobabad to be the model districts for implementation of a holistic reform.

Agenda Item 6

Training Need Assessment:

Meeting was informed that with the previous approval of the PSC the PSU has initiated the Training Needs Assessment exercise for officers of BS-16 to 19. After the detailed individual and focused group discussion in Provincial Line Departments the Consultant has developed a questionnaire which was approved by Technical Working Group and sent to Focal Persons in PLDs for getting it filled by the departmental officers. The deadline was fixed as June 10 2007. Only Planning & Development Department and Sindh Local Government Commission have sent dully filled in questionnaire by now. Other PLDs have not responded despite repeated reminders and personal contacts by PSU officers and TNA consultant.

Responding to query regarding trainings for senior officers, PD informed that for the senior level officers (BS 19 and 20) involved in policy planning and management PSU was in the process of preparing a separate proposal in consultation with ADB for their short term trainings at national and international institutions of repute. For this purpose the existing models of trainings in Planning Commission, EAD and Punjab would be followed. He further informed that PSU is also in the process of identifying suitable local institutes for long/medium/short term trainings for officers in various grades and positions.

PSC was requested to allow PSU SDSSP to initiate proposals accordingly and direct PLDs to send filled questionnaire by 30th September 2007 so that TNA Analysis could be completed for training of the officers as per their needs.

Decision:

- a) It was decided that each PLD including PFC would nominate a committee of focal persons representing each grade of BPS 16-19, which would coordinate with TNA expert in completing TNA questionnaire.
- b) PSC allowed PSU to initiate proposals for the training of senior level officers involved in policy planning and management (BS 19 and 20).

Agenda Item: 7

Status of hiring/recruitment for PSU/LSUs

Following the standing directions of PSC, the PD the status of hiring of consultants and staff in the PSU and LSUs for the information of the PSC. PD informed that the selections have been made in line with the provisions of the PC-I and directions of government

a) PSU:

i) Consultants (5)

The following consultants have been engaged with the approval of ADB

- Mr. Hashim Mughal as Consultant for Planning and Development Dept.
- Mr. A.G Pirzada as Planning Specialist for SDSSP by the P&D Dept.
- Mr. Ghulam Abid Sheikh as Consultant on Social Sector Financing.
- Mr. Gul Muhammad Mastoi as Participatory Planning Specialist at PSU
- Health Sector Reform Specialist would be mobilized on the recommendation of the Selection Committee headed by Secretary Health.

ii) Support Staff

Program Assistants (PSU -5)

Currently the Program Sector Officers steer the program activities all by themselves but considering the quantum of work for second and third year ASPs preparation and implementation it was plausible to provide them full time Assistants so that they could discharge their responsibilities with due care. These positions have been provided by adjusting the existing number of PAs and DPAs. Program Assistants have been selected after due process i.e. newspaper advertisement, written tests and selection committee interviews.

HRM Executives

Pursuant to PSC approval for the engagement of three HRM and one Performance Appraisal System persons to assist in hiring and appraising the performance of PSU and LSU staff. Persons hired earlier have resigned and the PSU has now completed the process for hiring of HRM Executives to fill these vacant positions.

b. LSUs:

i) Finance & Governance (F&G) Specialists (4)

On resignation/contract termination of F&G Specialists of Khairpur Mirs, Sukkur, Kashmore, Dadu, Larkana and Karachi, PSU initiated the process of engagement of consultants in accordance with ADB Guidelines, consequently, the approved second ranked candidates for Khairpur Mirs and Sukkur have been mobilized in their respective LSUs. The recommendation for the engagement of the following candidates as F&G Specialists in remaining LSUs has been communicated to Asian Development Bank for concurrence. The Selection of F&G Specialists for Karachi LSUs is in process.

- Mr. S.M. Brohi - LSU Kashmore

- Mr. Asif Iqbal Channa - LSU Dadu
- Mr. Nazir Ahmed Shaikh - LSU Larkana
- Mr. Zahid Hussain Jalbani - LSU Tharparkar
- Mr. Ashif Iqbal Memon - LSU Hyderabad

ii) Program Assistants (6)

PSU has completed process for hiring of suitable Program Assistants for Local Support Units at Khairpur, Sanghar, Umerkot, N’ Feroze, Tando Muhammad Khan and Kamber@Shahdadkot.

Decision: PSC agreed with the selection of consultants and program assistants.

Agenda Item - 8

PC-I for Establishment of Program Support Unit and Local Support Units for the implementation of the Sindh Devolved Social Services Program

Meeting was informed that under the TA Management Strategy PSC has approved allocations for the PLDs for their capacity building and other requirements. In their work plans, the PLDs and local Governments demanded more resources for equipment and furniture that required further adjustments within the minor heads. While approving these work plans the PSC had directed for making necessary adjustments in consultation with ADB. The ADB has agreed that the PSU could make required adjustments within the minor heads and without disturbing the loan categories.

As a result of follow-up on the implementation of SDSSP TA project the federal government (P&D Division) advised Sindh Government for the issuance of revised Administrative Approval in the light of adjustment that were necessary to made in the PC-I for facilitating the implementation process. Finance Department, Government of Sindh has issued the revised AA accordingly. PD informed that in view of forgone, following changes/adjustments have been incorporated and reflected in the relevant Annexures of PC-I. He informed that the changes are within the approved scope, concept and major heads of project cost and have been made to facilitate the implementation of the project.

Participants reviewed the mentioned changes in detail and agreed with the view that since all the changes were of administrative nature for the implementation purpose and there was no change in the scope and the cost of the project therefore there was no need for the revision of PC-I.

Decision: PSC allowed the incorporation of following changes in the PC-I and its circulation alongwith the revised Administrative Approval.

Annexure	Required Amendment
I	i. Number of LSUs has been increased to 23 as per

	<p>observation of ECNEC. This position has already been communicated to CDWP/ECNEC as approved by PSC/PFC.</p> <p>ii. Additional/Deputy Program Director has been added as per ADB, PSC approval. This already stands communicated to CDWP/ECNEC as part of minutes of negotiation meetings.</p> <p>iii. The positions of sector Deputy Directors Education/Health/WSS and Program Officer F&A have been redesignated as sector Program Officers</p> <p>iv. The position of Administrative Officer has been redesignated as Program Officer, Institutional Development. Position was communicated to SGA&CD and officer posted accordingly.</p> <p>v. The positions of Accounts Officer & Manager MIS have been shifted to and placed under ADB support staff because no civil servant applied for the positions and these have been hired from market. Positions agreed by ADB.</p> <p>vi. The indicative position of HR Firm has been replaced with individual positions of HR consultants/Executives with the concurrence of ADB and subsequent approval of PSC.</p>
V	Director General LGC as a member of PSC has been included with the approval of PSC.
VI	Keeping in view the requirement of PLDs and LGs for the equipment and furniture the re-appropriation has been allowed within the minor heads of category-2 of the financial plan according to the ADB and government procedures.
VI-B/ii	Admin support staff positions amended as per implementation requirements. This staff is paid from ADB account and the change is within the approved provisions of budget head.

Agenda Item – 9

Submission of Mid Term Review and Third Party Validation Reports

a. Report of Provincial Forum on Three Years of SDSSP:

At the completion of three years of the program, the Sindh DSSP organized an inter-provincial forum on 16 April 2007 wherein Sindh and Punjab shared their experiences

with other stakeholders. Punjab and Balochistan were eager to gain knowledge of the lessons learnt through SDSSP.

b. Mid Term Review Mission:

The Mid Term Review was commissioned by Asian Development Bank and conducted by participative exercise. Paul Thornton, Principal Consultant and Director of Verulam Associates, UK conducted this review. The review was under taken between 5th February and 2nd March 2007. During this four-week period visits were made to 4 districts and selected TMAs where wide range of stakeholders was interviewed by the consultant.

Recommendations:

- PLDs need to embrace their new role.
- Linking of plans to budgets, including monitoring.
- Encourage a focus on service delivery impact not physical investment.
- A good enough SDSSP isn't good enough
- Strengthening LSUs, revise guidelines, engage PLDs and introduce real performance incentives.
- There is a major institutional shift. SDSSP should have been for a minimum of five years.
- There has been (just) sufficient progress to warrant a second phase of five years duration if and only the weaknesses in the design, delivery and at the policy outcome level are addressed.
- For devolved social services delivery in Pakistan support, advice, stimulation, critique, and capacity mapping is essential – an effective TA modality must be included.
- Substantial budget is needed also.

c. Third Party Validation:

The third party validation was engaged to validate SDSSP investment in Social Sector during 2004-05 and the step taken for adopting participatory planning in District Government in preparation of ASP for the year 2005-06. The consultant's report is based upon interviews and documentation provided by DG in TMA and physical verification of at least 20% of facilities and units in each sector under SDSSP grant. A separate report on each district and an overall Sindh report was compiled. The overall Sindh report provides analysis of findings with key learning and recommendations, which are given below:

- The ASP prepared under the SDSSP reform is designed on the sector wide approach while the design of the Annual Development Plan, both at the provincial and district level, remains unchanged.
- Despite provision under SLGO, an internal audit system with the policy manager at the district level has yet to be established.
- SDSSP approach and strategy of targeting existing facilities is considered to be effective and need-based.

- The preparation of the ASPs was a huge task. The first step of planning, i.e. compiling information for sectors as a whole is a definite outcome of the SDSSP process.
- Most officers understand that the main mechanism of devolution is the SLGO and are familiar with their roles and responsibilities as defined in the SLGO.
- The procedures and guidelines devised by PSU-SDSSP are very comprehensive and there is little deviation from the scope of the SDSSP grants conditionalities. As of Oct 2006, in the water supply and sanitation sector 85%, in health 66% and in education 40% schemes were completed.
- The acceptance of the facilitation of LSUs in the system is a major achievement of the SDSSP intervention.
- There are no demographic and resource studies for specific targeting and resource management.
- There is no provision for debating or any allowance for variance from the national/provincial policy framework.
- The broader aims and objectives of the SDSSP – strengthening the LGs and enhancing participatory planning – are not fully understood.
- There are problems inherent in the working of the SLGO.

Recommendations of TPV:

- Wider ranging consultations with stakeholders at the design stage of projects; more frequent interaction with DGs and TMAs; no transfer of main government functionaries during the time period of the Program.
- Planning and development at the provincial and district levels will need to be brought in tandem while a structured program for LGs takes them through the cycle of planning, implementing and evaluating.
- The task of support to LG officers appears to be immense and it may be more prudent to begin wholesome interventions in a few pilot districts, rather than limited initiatives in all districts at once.

PD informed the meeting that these reports have been published and shared with donors, provincial and local governments and departments and the reports were also available at SDSSP website (www.sdssp.gov.pk/reports).

After the presentation of above reports PD proposed that Program Support Unit SDSSP may be allowed to identify suitable success models for study visits and initiate proposals for the implementations of the recommendations of these reports.

Decision: PSC agreed with the proposal and directed PD to submit the proposals for study visits, trainings etc to Chairman PSC.

Abdul Kabir Kazi
Program Director

List of Participants

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| 1. | Mr. Ghulam Sarwar Khero | Additional Chief Secretary (Dev)- In Chair |
| 2. | Mr. M Yahya Waliullah | Secretary Planning P&D Dept |
| 3. | Mr. Khursheed Naeem Malik | Director General –PLGC |
| 4. | Syed Niaz Hussain Shah Jillani | Zilla Nazim Khairpur |
| 5. | Mr. Abdul Kabir Kazi | PD-SDSSP |
| 6. | Mr. Muhammad Iqbal Memon | DPD-SDSSP |
| 7. | Mr. Manzoor A. Memon | Addl. Secretary (Dev) Health Dept |
| 8. | Dr. Capt. Sikandar Panhwar | Director (M&EC) Local Govt Dept |
| 9. | Mrs. Asma Aftab | PO-ID SDSSP |
| 10. | Mr. Ghulam Mehdi Baloch | Dy. Director Education Department |
| 11. | Ms. Mussanat Jabeen | Dy. Director WDD |