

Guidelines for Annual Sector Plan

Health Sector



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

Introduction

1. The overall goal of the Sindh Devolved Social Services Program (SDSSP) is to improve people's education and health, there by helping to reduce poverty and gender imbalances. In Health Sector the broad purpose of the program is to increase access to basic health services specially health services at primary health care facilities through improving infrastructure, providing equipments and instruments and rationalization of services, staff and funds, recruitment of staff (facility based, preferably female staff on merit), expand support for HMCs to involve them in decision making at facility level.
2. In order to have access to SDSSP funds it is mandatory for District Government to prepare its overall Annual Sector Plan (ASP) for Health Sector. The PSU of SDSSP has developed guidelines for preparing Annual Sector Plan for the Health Sector. The Sector Plan would be holistic involving all streams of funds and would be passed as a budget document from district assembly. The investments selected for SDSSP conditional grant funding should be inline with parameters set out in Paras-4 & 6 of MoU, signed between Sindh Government and District Governments.

Methodology

3. Under the Sindh Local Government Ordinance, 2001 each District has formed Sector Committees and consequently each District has its own Health Sector Committee and Budget and Development Committee. The involvement of these committees is essential pre-requisite for sector planning.

Process of Planning as Envisaged in SLGO (Budget Rules 2002)

4. Process shall follow as under:
 - Nazim shall convene the meeting of District Mushavirat Committee and provide the vision and set the development priorities;
 - Identification of development projects through a bottom up planning system (the project proposals received during the year from various stakeholders shall be scrutinized by the concerned Head of Offices)
 - Preparation of outlines of Sector Plan by concerned officers in consultation with council's sector committees (at least 2 female councilors as its members) and its submission to Budget and Development Committee (BDC) through the Planning Officer (PO)
 - Approval of the Sector Plan outlines by Budget and Development Committee.
 - Preparation of detailed Annual Sector Plan proposal by concerned office and submission to PO
 - The PO shall frame a working paper examining the financial, economic and environmental viability of each scheme and will submit it along with proposal and technical sanction (for development projects involving works) to BDC
 - Approval of Sector Plan by Budget and Development Committee and its inclusion in the annual budget for FY 2007-08 as part of Annual Development Program
 - Approval by Council as part of annual budget for FY 2007-08
 - Preparation of PC-Is by the concerned offices

- Issuance of Administrative Approval and Technical Sanction by the DDC

Annual Sector Plan

5. Annual Sector Plan is the district government's need analysis and planned strategy for improving the service delivery. The Sector Plan covers all areas and all funding streams available to district government, be it public or private. The annual sector plans links the strategy to operational activities and gives a monitoring plan to measure financial, physical and outcome achievements.
6. The annual sector plan could also be an advocacy document for bringing desired changes at provincial and national level and could also attract development partners' attention for the provision of technical or budgetary support for the district.
7. Within the district, sector plan can work to guide the administrators and managers about district government's vision and agreed way forward for achieving the targets. It provides elected representatives an essential tool to facilitate and monitor development activities in their areas and point out areas of improvement. The following discussion provides a structure of the Sector Plan. The annual sector plans are expected to be planned and approved from district councils.

Executive Summary

8. Here, the district government will summarize the major points of its sector planning. The executive summary will provide an opportunity to policy maker to get an idea about the sector priorities and work plan of the district government.

District Vision

9. A vision provides goals and direction to policy makers and implementers. It also informs the common people about the eventual outcome that they can expect from reform and development process. Vision should be discussed and framed carefully as it has impact on the working of each tier of the public administration as well as for development partners.

Situation Analysis

10. The current challenges faced by the district can be divided in four major areas i) Access ii) Quality iii) Financial Resources and iv) Management. The cross cutting considerations such as equity, targeting of poor and marginalized people, and gender sensitive planning and implementation have bearing on all above mentioned thematic areas.
11. The basic objective of all efforts taken in the Health sector is to provide health services to the masses that are available, accessible and affordable to poor masses of community. It is also important for districts to assess the impact of various streams of funds on service delivery so that it could be linked with proper planning and execution. No doubt impact assessment is difficult and complex exercise but by looking at various broad indicators one can guess the impact.

Example:

- No. of Indoor and out Door patient
- No. of Beds and Occupancy
- No. of operations performed
- No. of Emergencies attended
- Availability and utilization of equipments
- Availability and utilization of diagnostic facilities

i. Access

12. Access to functional facilities where affordable quality of services is being provided to ALL people is the major challenge that most of the district governments are battling with. A comprehensive picture on coverage of health facilities in the district, the present situation of the facilities, the sub-sector wise requirement, human resources availability (or non availability), demographic composition of un-served target groups and other such issues would become part of the situation analysis of the district's Sector Plan.

ii. Quality

13. While access is the necessary condition for service delivery it is not sufficient. Without quality service provision the required outcomes cannot be achieved. Under this heading district government will detail out the quality issues of service delivery in their district (No. of qualified health care providers and physical conditions in which health care is delivered. The district government may also highlight service provision constraints emanating from provincial actions or inactions. This is particularly important, as it will help to channel the district input into provincial policy making.

iii. Financial Resources

14. One of the common constraints for improving the social sector service delivery is the paucity of funds. However, the efficient use of resources is another major challenge for policy makers. It is of paramount importance that district government must have a clear picture of the resources available to it. By completing the following table district government could have better assessment of resources available to it.

Table-1

		2006/07	2007/08
		RE	BE
District Revenue			
PFC Transfers			
Grants			
	SDSSP		
	Health		
	Education		
	Allocation for CBOs		
	Any other		

District Own Resources*			
District Expenditures			
	Current Expenditure		
	Total Salary		
	Total Non-Salary		
	Development		
Health			
	Current Expenditure		
	Salary		
	Non-Salary		
	Development		
Health (Functional Classification)			
	BHUs and RHCs		
		Salary	
		Non-Salary	
	THQs and DHQ		
		Salary	
		Non-Salary	
	Others		
* District own resources will include all other monies except for funds transferred to the District through PFC and from the divisible pool			

Table-2

Vertical Programs				
Name of Program	Type of Services	Donor Support (Kind, Financial, and technical) etc.	Program Implementation mechanism	Remarks if any

Table-3

Contribution of Private Sector in Health			
	Target Talukas	Type of service	Remarks
Private Hospitals (Units-estimated)			
Not-for-Profit/ Community Health services etc (Units-estimated)			
Multi National Companies support			

iv. Sector Management and Challenges

15. While government has increased the sector financing considerably, the concomitant system improvement and organizational development has lagged far behind. Issues such as availability of reliable data, informed policy and planning processes, need based planning, participatory planning and implementation, monitoring and evaluation are having major adverse impact on service delivery outcomes. District government can highlight the major governance and management issues in this section of the Sector Plan.

District Government's Strategy

(To deal with issues and problems mentioned in 'Situation Analysis Section' of the Sector Plan)

16. In this section district government will present its plan to deal with the issues and challenges detailed above. District government will prioritize the areas where it wants to focus and give an overview of the plan for each sub-sector; for example, in consequence of the above discussion district government may come up with few/all/other of the following priority areas:
 - a. Strengthening district management through a training needs assessment followed by training of district managers (for training thematic areas could be planning, monitoring, office management and financial management, gender, and school quality supervision)
 - b. Developing improved and participatory monitoring and assessment system
 - c. Improvement of Referral Mechanism.
 - d. Opening of closed Health facilities.
 - e. Rehabilitation of existing facilities.
 - f. Increasing the capacity of current infrastructure i.e. expansion / up-gradation
 - g. Strengthening technical stream specially provision of laboratory equipments, etc
 - h. Enhancing community participation in Health decision making at facility level through HMCs.
 - i. Developing public-private partnership, involving joint work of the public and private sectors and encouraging private sector support for government schools
 - j. Any other
17. This list is not exhaustive and district government can add more focus / priority areas as per their need and socio-economic profile.

District Government's Investments

18. The investments, from district own funds or from conditional or tied / special grants, must correspond with the district government's stated strategy. The resource envelope given in the sector plan (Table-1,2&3) provides an estimate about the available resources for the district. Here district government can plan to synchronization efforts for various development partners and can work to avoid duplication of planning and investment efforts.
 - i. **District Governments own resources**
19. District government will mention here the investments /activities / schemes planned and funded from its own resources. Such interventions can be consolidated in following table:

Table-4

Investment / Scheme name	Taluka	Name and # of unit	Total cost	Linkage with district government's strategy

ii. **Sindh Devolved Social Services Program**

20. District government's investment profile for grant funding received from SDSSP-conditional grant funding. The eligibility criteria mentioned in the MoU will be applicable to all investments and schemes funded from this source.

Table-5

Investment / Scheme name	Taluka	Name and # no. of units	Total cost	Linkage with district government's strategy
Total				

iii. **Joint financing-District Government and Sindh Devolved Social Services Program**

21. District Government may decide to plan investments jointly funded from districts own resources and from SDSSP-conditional grant funding. However, all investment parameters mentioned in the MoU will be applicable to such schemes

Table-6

Investment / Scheme name	Target Talukas	Specify activity to be financed by DG and SDSSP	Total cost	Linkage with district government's strategy
Total				

iv. **Any other source of funding (state name)**

22. Funding being received from any other source, not covered here. District government will also mentioned this source of funding in their resource envelope mentioned in table-1 of the guidelines.

Table-7

Investment / Scheme name	Target Talukas	no. of units	Total cost	Linkage with district government's strategy
Total				

- v. **Any other priority / investment for which funds are not available for now**
- 23. Several development partners are interested in providing loan/grant funding for interested and committed districts. This loan or grant could be for system and capacity development or targeted directly to improving quality and strengthening access of service provision in the district. The clear articulation of district strategy and proposed investments here would help the district government to attract additional investment.

Table-8

Investment / Scheme name	Target Talukas	Type of Service	Total cost	Linkage with district government's strategy
Total				

Monitoring Mechanism

- 24. District Governments are expected to establish monitoring mechanism to assess the impact of different interventions in qualitative and quantitative terms. The proposed schemes should therefore be in line with National and Provincial Health policies formulated to attain Millennium Development Goals (MDGs). The investment committed for the priority areas of the district, in line with district government strategy, are to be closely monitored for effective implementation and for achieving the desired outputs. Law provides for an institutional role of Council's Sector Monitoring Committees based on the concepts of social audit and public accountability. District government is expected to have a comprehensive monitoring plan, both for process monitoring and physical utilization, as well as for achieving the desired targets. In this section of the Sector Plan district government will layout its monitoring plan.

Minutes of Meetings

- 25. The various minutes of meetings of its proceedings should become part of the Sector Plan.

District Council Resolution

- 26. The Sector Plan is required to be approved by the district council. The resolution showing the approval of the Council will be an essential document of the Sector Plan.

**Memorandum of Understanding
Between
The Government of Sindh
And
The District Government of _____**

Preamble

WHEREAS THE GOVERNMENT OF SINDH with headquarters at KARACHI, has entered into an Agreement with the Asian Development Bank for the US\$220 million (\$100m for direct transfer to local governments, \$110m for creating fiscal space for social services and \$10m for Institutional Development) Devolved Social Services Program (DSSP) to support financing, institutional building, partnership building and reforms of Sindh's devolved social services at the District level in Education, Health, Rural Water Supply and Sanitation Sector at Town/Taluka Municipal Administration in accordance with the provisions contained in Part I,II &III of this Memorandum of Understanding (hereinafter referred to as MoU).

AND WHEREAS THE DISTRICT GOVERNMENT OF _____ with headquarters at _____ is a legal, representative entity charged with the responsibility of providing social services in the areas of Health and Education to its citizens, under the Sindh Local Government Ordinance – 2001.

AND WHEREAS THE GOVERNMENT OF SINDH and THE DISTRICT GOVERNMENT OF _____ (“hereinafter referred to as the Parties”) mutually desire to improve social sector financing, promote and support programs focusing on improving social services delivery in District _____ and to contribute to the formulation of long-term strategies to help reduce poverty and gender imbalances, through improving governance and financing, rationalization of services, community participation and public accountability

THEREFORE the Parties execute this Memorandum of Understanding on this ____ day of _____ 200_ to set forth and coordinate the efforts in favor of improving social services in _____ District hereinafter referred to as the DISTRICT GOVERNMENT.

I. Areas of Collaboration

1. Program Support

The Parties agree to provide support for the Devolved Social Services Program and its activities to strengthen, improve and expand effective delivery of social services in Education and Health sectors.

2. Financing

THE GOVERNMENT OF SINDH agrees to provide funds equivalent to US\$ 100 million from the DSSP conditional grant funds (ADF) and from the additionality generated through resource management (OCR funds) in subsequent years, to the Local Governments (District Governments and TMAs) over a period of three years as determined by the Provincial Finance Commission based on clear, objective formula as per procedure detailed in the agreement with the Asian Development Bank, and to make public the exact share of the Local Governments before the start of every Fiscal Year.

- a. THE GOVERNMENT OF SINDH further agrees to transfer the annual share of the district from these DSSP funds, directly into the Account IV of the DISTRICT GOVERNMENT subject to fulfilling the criteria given in para 4.
- b. THE DISTRICT GOVERNMENT agrees to use its share of funds as per the parameters set by the DSSP loan agreement generally and in this MOU specifically
- c. THE DISTRICT GOVERNMENT agrees that the funding available under the DSSP conditional grants will not replace existing allocations for the Education and Health sector and that the level of expenditures shall be maintained at or above the level of existing budgetary allocations.

3. Technical Assistance

THE GOVERNMENT OF SINDH agrees to provide and the DISTRICT GOVERNMENT agrees to effectively utilize requisite technical expertise and support through the Provincial Program Support Unit and the Local Support Units, with the latter located in District including Finance & Governance, and Monitoring & Evaluation staff who shall be placed in the Local Support Unit in District for assisting in achievement of DSSP objectives. The GOVERNMENT OF SINDH shall also recruit consultants to staff the Program Support Unit, who will work with the Provincial Line Departments and the DISTRICT GOVERNMENT to provide support and guidance on DSSP activities and objectives

4. Criteria for Accessing Conditional Grants

- a. THE DISTRICT GOVERNMENT can access the conditional grant ONLY if it prepares Annual Sector Plan as given in para-6.
- b. THE DISTRICT GOVERNMENT shall use the conditional grant ONLY in Education and Health sectors.

In Education, the grants can be used for covering all schools from Katchi up to Class 10 and Class 12 in few Higher Secondary Schools but NOT for colleges

In Health, the scope ranges from Community Health Workers to District Hospitals

- c. THE DISTRICT GOVERNMENT shall allocate at least 15% of conditional grant funds in year 2005-06, and not less than 25% in subsequent years, through Community Based Organizations (CBOs) in a timely manner as conditional grants for public-private partnership initiatives subject to the guidelines and terms and conditions prepared separately for this purpose by THE GOVERNMENT OF SINDH through PLDS/PSU.
- d. THE DISTRICT GOVERNMENT shall NOT invest more than \$100,000 (approximately Rs.5.7 Million) from the funds provided under DSSP in any one scheme / project / activity.
- e. DISTRICT GOVERNMENT shall use the conditional grants IN THE FIRST INSTANCE, ONLY for rationalization / operationalization / Rehabilitation of existing services / schemes / projects and staff in accordance with **Guidelines** for DGs on new schemes of Health and Education Sectors, issued vide letter no. PO (EDU)P&D-116/99-2003,Karachi, dated the 15th December,2003 or any other policy instruction issued by the Government of Sindh from time to time.
- f. THE DISTRICT GOVERNMENT can invest in new services /schemes/projects and recruitment of staff only if there is a clear technical and financial feasibility plan as to how it would be sustained and there is clear commitment of the DISTRICT GOVERNMENT for allocating Maintenance and Repair funds in subsequent financial years as well as for funding the staff hired during the program period. These recruitments would however be need / facility based with preference to the locals specially female candidates. THE GOVERNMENT OF SINDH shall assist in carrying out the technical and financial feasibility studies through PLDs / PSU.
- g. THE DISTRICT GOVERNMENT shall NOT use the conditional grants on luxury items such as purchase of vehicles, air conditioners, furnishing of existing offices, office equipments etc. unless these are required for fulfilling obligations under this MOU and the DISTRICT GOVERNMENT

can demonstrate to the GOVERNMENT OF SINDH that there exist no other sources for financing them.

- h. THE DISTRICT GOVERNMENT shall use these funds for pro-poor, gender balancing projects, investments, schemes and their feasibilities should clearly identify measurable benefits to the poor specially women.
- k. THE DISTRICT GOVERNMENT in using the conditional grant funds, shall follow all the planning, budgeting and approval processes outlined in the Sindh Local Government Ordinance,2001 and other relevant rules including the Budget Rules

5. Gender Mainstreaming

The Parties agree to take steps towards gender mainstreaming, giving priority to gender issues and needs in sector plans and also involving women in decision making by including at least two women councilors on Budget, Accounts and Sector Committees formed under Sindh Local Government Ordinance, 2001 and by following the provisions of GRAP.

II. Work Method

6. Annual Sector Plans:

- a. To access the conditional grant funds, THE DISTRICT GOVERNMENT shall each year prepare detailed Annual Sector Plan for Education and Health, clearly indicating the activities, plans, projects, schemes as well as their source of financing.
- b. Sector Plan so prepared shall cover the over all priority of the DISTRICT GOVERNMENT for Maintenance, Operation, Rehabilitation and Development Schemes in the particular sector.
- c. These Annual Sector Plans shall be prepared for the entire sector and NOT just for activities, projects, and schemes to be funded from the DSSP conditional grant.
- d. The Annual Sector Plan shall form part of the Annual Budget for the District and shall be approved by the District Council as per the provisions of the Sindh Local Government Ordinance, 2001and Budget Rules-2002 for District Governments.
- e. Subject to other conditions of this MOU, the DISTRICT GOVERNMENT shall have complete flexibility to use the DSSP funds based on demand-driven, need-based sector priorities in the District.

7. Accounting and Accountability:

THE DISTRICT GOVERNMENT shall place the conditional grant funds in a separate account (Under the umbrella of A/C-IV), prepare Statements of Expenditure for the DSSP funds and shall cause the expenditures made from

this DSSP funds to be audited by the District Audit Office of the Pakistan Auditor General and / or supplementary audit by a non-governmental auditor as mutually agreed upon by the Parties.

8. Assessment, Monitoring and Evaluation:

THE PARTIES shall independently and jointly undertake quarterly reviews of the program activities leading up to a comprehensive Annual Performance Review of the whole program and may employ Third Party Validation and Social Audit methods and techniques for this review. The Terms of References for Third Party Validation and Social Audit shall be developed separately and communicated to all Local Governments. The assessment, monitoring and evaluation shall take place on the basis of clear process, input and output indicators.

9. Reporting, Documentation and Communication:

THE DISTRICT GOVERNMENT shall produce and submit all reports and documentation as prescribed by THE GOVERNMENT OF SINDH OR Program Support Unit (PSU) on its behalf. The Parties shall promote the dissemination of learning from this partnership within their respective organizations and networks.

III. Terms of the Memorandum of Understanding

This MOU will be in effect for the tenure of the DSSP Program and Technical Assistance Loans. It can be terminated either by mutual agreement of the Parties or by the GOVERNMENT OF SINDH if it has demonstrable reason to believe, based on the advice and recommendation of the Provincial Program Steering Committee, that the DISTRICT GOVERNMENT OF is not fulfilling its obligations as laid out under this MOU.

The Parties may receive cooperation from other donors, organisations, Provincial Line Departments/agencies or Federal Government Ministries / agencies, Trusts / Foundations based on the acceptance of the Parties.

In acceptance of the aforementioned, the duly authorized representatives of the Parties sign this Memorandum of Understanding.

Seal

Seal

Name: MALIK ASRAR HUSSAIN
Title: SECRETARY FINANCE DEPARTMENT
THE GOVERNMENT OF SINDH

Name: _____
Title: DISTRICT NAZIM
THE DISTRICT GOVERNMENT OF

Shares of Districts in SDSSP Grant

S. #	District	2005-06			2006-07		
		Non-CBO	CBOs	Total	Non-CBO	CBOs	Total
1	Badin	54,684,970	9,650,289	64,335,259	53,868,842	17,956,281	71,825,122
2	Dadu	37,324,498	6,586,676	43,911,174	33,022,293	11,007,431	44,029,724
3	Ghotki	45,693,500	8,063,559	53,757,059	43,909,625	14,636,542	58,546,167
4	Hyderabad	37,010,771	6,531,313	43,542,084	30,778,324	10,259,441	41,037,765
5	Jacobabad	29,162,647	5,146,350	34,308,997	25,179,035	8,393,012	33,572,047
6	Jamshoro	27,628,499	4,875,617	32,504,116	24,207,749	8,069,250	32,276,998
7	Karachi	190,781,723	33,667,363	224,449,086	171,753,150	57,251,050	229,004,200
8	Kashmore	28,091,578	4,957,337	33,048,915	24,205,335	8,068,445	32,273,781
9	Khairpur	57,099,075	10,076,307	67,175,383	54,454,734	18,151,578	72,606,312
10	Larkana	31,418,797	5,544,494	36,963,290	26,413,923	8,804,641	35,218,563
11	Matiali	19,563,611	3,452,402	23,016,013	14,917,269	4,972,423	19,889,692
12	Mirpurkhas	33,307,465	5,877,788	39,185,253	29,301,103	9,767,034	39,068,138
13	Naushahro feroze	39,681,181	7,002,561	46,683,743	35,955,751	11,985,250	47,941,001
14	Nawabshah	45,675,449	8,060,373	53,735,823	43,324,025	14,441,342	57,765,366
15	Sanghar	52,357,017	9,239,474	61,596,490	49,236,341	16,412,114	65,648,454
16	Kamber Shahdadkot	29,862,927	5,269,928	35,132,855	24,999,496	8,333,165	33,332,661
17	Shikarpur	40,603,449	7,165,315	47,768,763	38,252,340	12,750,780	51,003,120
18	Sukkur	39,650,275	6,997,107	46,647,382	36,943,235	12,314,412	49,257,647
19	Tando Allahyar	18,982,979	3,349,937	22,332,916	14,389,421	4,796,474	19,185,895
20	Tando Muhammad Khan	19,417,044	3,426,537	22,843,581	14,784,026	4,928,009	19,712,034
21	Tharparkar	49,452,439	8,726,901	58,179,340	48,807,564	16,269,188	65,076,752
22	Thatta	58,314,646	10,290,820	68,605,466	58,424,412	19,474,804	77,899,216
23	Umerkot	28,932,991	5,105,822	34,038,813	25,324,309	8,441,436	33,765,745
Total		1,014,697,530	179,064,270	1,193,761,800	922,452,300	307,484,100	1,229,936,400

Flow Chart

Funds Transfer and Accounting Process in Districts

