



Program Support Unit
 Sindh Devolved Social Services Program
 Finance Department, Government of Sindh,
 Karachi, May 11, 2005



Note for Advisor Local Government

Subject: **Establishment of a Monitoring Framework**

Under the agreed policy outcomes for the Sindh Devolved Social Services Program, the Sindh government is committed to further strengthening the devolution process and decentralization of powers within the existing setup. Sindh Local Government Commission (SLGC) will have a lead role in the proposed arrangements being an independent agency with mandated role in the matters pertaining to devolution and monitoring in Sindh. To provide an institutional role, the Director General SLGC, has also been inducted as member on Provincial Steering Committee of SDSSP.

2. This issue was discussed with in a meeting with secretaries / representatives of the Provincial Line Departments on 17 March whereas it was agreed that the Monitoring Framework be established under the chairmanship of Advisor Local Government Department in his capacity as chairman Sindh Local Government Commission. All the Departments involved in the Program and SGA&CD would form part of the monitoring framework.

3. The proposed monitoring framework for devolution, its composition and Terms of References are placed on board for kind perusal and approval.

Secretary Finance

Senior Minister F&C

Advisor Local Government

ACS/CG

Para 3 for approval pl.

12/5

[Signature]
 11/5/05
 Abdul Kabir Kazi
 Program Director

[Signature]
 14/5

*Approved -
 Pl take views of ACS/CG.
 for further process -*

[Signature]
 23/6/05

PD (DSSP)
 (FINANCE DEPARTMENT)
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 DATE 11-05-05

MONITORING FRAMEWORK FOR DEVOLVED POWERS

SECTION 1

1. The Need for a Monitoring Framework

1.1 With the promulgation of the Sindh Local Government Ordinance 2001 (SLGO), the governance system in Pakistan has undergone a radical change, with devolution of political power, reassignment of functions and responsibilities and decentralization of administrative and financial powers from Province to local governments. With the intent of creating greater opportunities for better local choices reflecting local needs and for improved public accountabilities through closer interaction with stakeholders, providing voice to marginalized segments of society such as women, peasants, and laborers and drawing on operational efficiencies that may accrue due to local implementation, vast powers have been given to the local governments under the SLGO 2001. However, it is clear that simple delegation of powers is not a sufficient condition for implementation as there are complex institutional, political and legal issues surrounding the transfer of powers from tier of government to another. The lack of clarity on intergovernmental relations in the SLGO have compounded problems, as the absence of rules of engagement have spawned divergent, discretionary—and in some cases, irregular practices when it comes to relations between the Provincial and the local governments. Although the SLGO does provide a framework for financial intergovernmental relations and some references to administrative relations, these continue to be in a state of flux and several issues remain unsettled. In addition, although administrative and financial powers have been vested in the local governments, there is a widespread belief, especially at the local government level, that these powers are either not adequate, are not being exercised because necessary amendments have not been made in the plethora of consequential legislation in the form of rules, regulations and directives as well as the web of procedures that envelop day to day working of governments at all tiers, that impact operationalisation of policies and legislation or due to the unwillingness of the provincial government to move away from the command and control systems that were in place prior to the promulgation of the SLGO2001. It is also generally accepted that M&E, despite the Governments' frequent assertions to the contrary, continues to be a neglected, almost peripheral function, with insufficient budgetary allocations and inadequate attention towards strengthening M&E responsibilities at all tiers of Government.

1.2 Although the Government of Sindh has devolved several powers to the Local Governments (**Annexure-A**), both administrative and financial, the issues highlighted above are critical and practical ones for consideration of the Provincial government because their focus on development in the social sectors is now dependent not only on articulation of correct policies at provincial level, but also on the extent to which those policies are understood, accepted and supported by the local government tiers. This in turn is predicated on strengthening and empowerment of the local governments in terms of employer functions and their fiscal and financial authority. The roles and responsibilities of the different tiers of government have changed with the reassignment of functions as provided for in the SLGO-2001. With service delivery in health, education and Water Supply & Sanitation now devolved to the local governments, the provincial government has to provide institutional and legal frameworks that support and facilitate, rather than hinder local level improvements.

2. Objectives of the proposed M&E Framework for Devolved Powers

- (i) Assist the Provincial government in clarifying and integrating roles and responsibilities of the provincial and local governments on M&E functions in relation to management functions at the LG level
- (ii) Support and strengthen the Local Government Commission in actualizing its mandate as per the SLGO2001
- (iii) Recommend a strategy for sustained M&E processes and for strengthening this function to act as an effective management tool.
- (iv) Assist Provincial Line Departments (PLDs) in M&E functions in their respective sectors.

SECTION II

OVERVIEW OF CURRENT M&E ARRANGMENTS

A. M&E At the Provincial Government Level

3. Monitoring by Elected Representatives

3.1 The Provincial assembly, the Cabinet and the Standing Committees of the Provincial Assembly all have the responsibility for macro level oversight and in the light of the feedback received or based on their own reviews, to develop policies that not only promote better public accountability systems at all levels of government but also assist the relevant agencies to improve service provision. Performance review of departments and tracking of impact of policies on outcomes does take place through these forums but needs to be strengthened further.

4. P&D Department

4.1 As the coordinating agency for all development activity in the province, the P&D Department has the responsibility of conducting M&E of all development programs, projects and schemes. There are detailed mechanisms in place and several instruments used by P&D to carry out this responsibility. There is a full-fledged M&E Cell in the P&D Department, headed by a Director General and staffed with experienced staff, which is tasked to undertake macro reviews of the development activity in the province. The P&D also uses established instruments like the PC-III Proforma (**Annexure-B**) of Planning Commission of Pakistan, which is used to provide details of financial utilization, physical progress and identification of impediments during the implementation process. In addition, the P&D carries out quarterly reviews of funds utilization and physical progress through written reports from all provincial departments as well as meetings organized for the purpose. Subsequent to the promulgation of SLGO2001, the P&D department empowered district governments to approve development schemes/plans of up to Rs. 20m, while schemes/plans exceeding this value are to be submitted to the Provincial Development Working Party for approval. Although there appears to be a mechanism in place through which the P&D can carry out M&E functions, its capacity - both in terms of technical and financial resources - is limited and tends to focus only on engagement with DGs and TMAs from a quantitative perspective and the PC-III document is rarely used to flag issues relating to qualitative factors such as impediments in utilization rooted in restrictive administrative or financial powers.

5. Health Department

5.1 In addition to the development activities undertaken by the DGs themselves as part of their Annual Development Plans, the Health sector is marked by a strong presence of Federal and Provincial vertical programs, each with their own M&E dynamics and requirements. This often places the District functionaries under multiple control and taxes their ability to engage in substantive M&E work at district level. The monitoring arrangements in health sector include:

- i. Annual Development Program or development projects are monitored according to the prescription of Planning Manual issued by the Planning Commission of Pakistan using the PC-III Proforma.
- ii. Health Management Information System (HMIS) was designed in early 90's under Pakistan Child Survival Project sponsored by USAID. This computer based system replaced the existing manual system of health sector reporting. The system has its limitations because it covers only outdoor services of First Level Care Facilities (FLCF). Moreover, it provides reporting of 18 priority diseases. Other major reporting items are preventive programs like Diarrhoeal Disease Control, Acute Respiratory Infections, Malaria, Tuberculosis, Immunizable Childhood Diseases, malnutrition and Micronutrient supplementation, pre-natal and post-natal services including maternal death and growth monitoring of children. It also provides information about availability of drug and supplies in the FLCF. This system was designed at the federal level and a number of times attempts were made to make it responsive to the emerging and contemporary needs. No significant improvements could be made in this regard. Now a number of donors particularly JICA is assisting to revisit and redesign the HMIS. According to the plan DHQ hospitals, THQ hospitals with their in-door and outdoor services will be included in the redesigned system. JICA is also carrying out epidemiological study to expand the list of diseases by including more diseases over and above the existing 18 priority diseases.
- iii. The National Program for Family Planning and Primary Health Care is a federally funded program and managed by the Provincial and District Governments. Major objectives of the program are to improve health status of the population by providing services at grassroots levels through Health Houses / Lady Health workers. The major indicators taken by the programs are improvement in IMR, MMR/CBR, CDR and GR. The reporting system of this program is elaborated starting from the community to federal levels. Each LHW covers 200 households or a population of 1000-1200 persons. As far as reporting system is concerned

the LHW collects the data from household and submit it to the respective attached health care facility like RHC, BHU, THQ Hospital, DHQ Hospitals, etc. The data is then sent to the district level where it is compiled and signed by the District Program Coordination Officer and EDO Health for onwards transmission to the Provincial Coordination Unit. The Provincial Coordination Unit compiles the district wise information and sends it to the federal Project Implementation Unit. There is an added advantage in this reporting system that it also covers the information from the community whereas the other information systems provide only facility based information.

- iv. The preventive programs like EPI, TB, Malaria, and AIDS have their own vertical reporting systems. Data collected at operational levels is compiled at district and provincial levels. There is little coordination among these reporting systems between other reporting arrangements like HMIS and MIS of National Program of Family Planning and Primary Health Care.

6. Education Department

6.1 Like Health, the Education sector also is characterized by dual controls, with all tiers of government operating in the sector, although the presence of vertical programming is less pronounced than in health. Following is the summary of existing M&E arrangements:

- i. Annual Development Program or development projects are monitored according to the prescription of Planning Manual issued by the Planning Commission of Pakistan using the PC-III Proforma.
- ii. The Education Management Information System (EMIS) was developed in 90's and became operative 01-08-1990. The USAID, UNESCO and UNDP provided technical and financial assistance in development of this system. Although this is a well structured and institutionalized system having its presence at district level, collecting data on a wide range of factors—including school infrastructure profiles, enrollment and teacher availability—it requires refinement to collect more information and to make that information easily and regularly accessible to the District Governments to promote evidence-based planning.
- iii. The Education Sector Reforms Program compiles data annually on a prescribed Proforma (**Annexure-C**). This Proforma has been adopted from the data collection instrument designed by the EMIS.

- iv. The donor funded projects such as DEEP, ESRA etc. have their own project specific M&E modalities and requirements. Most of these projects are managed by the Provincial Government, but information collection and preparation of reports takes place at the district level.

7. Local Government Department

7.1 The LGD is the administrative department for the TMAs and it thus has an important role as the regulator of that tier of government. The Local Government Board, which functions as an attached department of the LGD, has the responsibility of managing service matters of the employees who belong to the SCUG cadre, who have been posted to the TMAs. Besides providing support as the Secretariat to the Local Government Commission, the LGD thus has the added responsibility of human resource management in the TMAs, because the majority of the employees in the TMAs belong to the SCUG.

Monitoring & Evaluation Cell

7.2 The LG Department has established a Cell for monitoring the development activities in the province and the districts. The cell is headed by a Director General and is mandated to monitor and coordinate the development activities and special projects funded by the province or the federal government. The cell also assists the local governments in the preparation of schemes and project documents.

Water Supply & Sanitation Sector

7.3 Prior to the establishment of Taluka/Town Municipal Administrations (TMAs) and the devolution of Water Supply & Sanitation responsibilities to that tier of government under the SLGO2001, the Public Health Engineering Department (PHED) was responsible for provision of water supply and sanitation in the rural and urban settlements, with WASA (Water & Sewerage Authorities) in large cities. The PHED now stands devolved, with staff of up to BS-15 now under the TMAs and the erstwhile PHED staff in BS-16 to 17 posted in the TMAs as well, but continuing to be Provincial employees. A Directorate General Technical office has been retained at the Provincial level, to provide guidance to the TMAs and also to execute Federal and Provincial development schemes. As there are several kinds of project modalities in operation, multiple mechanisms for M&E are being practiced, with Provincial ADP, Senators /MNAs /MPAs schemes

and donor funded projects like DERA being monitored by the Directorate General Monitoring Cell, while the development activities through the TMAs are being monitored by the TMAs themselves. However, the TMAs generally don't have an established system to monitor the quality and efficiency of their water supply and sanitation systems. The routine information is generated and maintained at three levels i.e. logbook at the tube well/ water pump station, manual preparation of quarterly domestic water bills, and complaint receipt system of complaints lodged by water consumers. Even these systems are usually limited to the more developed, urban areas of the Province and the level of M&E in rural areas are minimal.

8. Finance Department

8.1 The Finance Department plays an important role as a financial manager for the Provincial government and for creating fiscal space for the social sectors by following an effective strategy for better expenditure management and revenue generation. Although the Finance Department has separate offices for Development, Resources and Local Finance, and despite the clear need for establishing a strong monitoring mechanism to minimize fiduciary risk, there does not appear to be a well developed M&E mechanism within the department. In relation to the use of financial powers at the provincial and LG level as well as further fiscal decentralization, the Finance department has taken positive steps towards strengthening the LGs, no attempt of note has been made to review and assess the impact of the decentralized powers and/or to assess how these are impacting decision making and implementation at the LG level. Similarly, the preparation and implementation of the Sindh Poverty Reduction Strategy and Plan (PRSP) and the Medium Term Budgetary Framework (MTBF) is also the responsibility of the Finance Department and there ought to be a systematic manner of tracking whether the PRSP and MTBF targets are being met and then to devise mechanism for ensuring removing impediments. Public disclosure on whatever assessment or review processes that do take place is very limited and sporadic.

8.2 Under the Sindh Reform Program (SRP) supported through the World Bank's Structural Adjustment Credit, an implementation Monitoring Unit was established in the Finance Department as a part of the credit Agreement for facilitating coordination and monitoring of the fiscal, financial management as well as sectoral reforms. Under this the IMU was required to track the progress on the agreed benchmarks under various reform initiatives and evolve quarterly benchmark reports. The Implementation Monitoring Unit (IMU) was directly responsible for implementing, monitoring and reporting upon fiscal restructuring reform. A quarterly fiscal monitoring report was required to be evolved and published under the agreed monitoring framework. IMU has been regularly formulating the Fiscal Monitoring Reports since 2001-02.

9. Services General Administration & Coordination Department

9.1 As the principal department for all institutional and legal issues relating to civil servants in the Province, the SGA&CD has a critical role in shaping the civil service management system. Although the two largest employers in the Government of Sindh, Education and Health, have now been devolved to the LGs, the absence of District Cadres means that majority of the employees of the Government of Sindh continue to be Provincial employees. In conjunction with the sector departments, the SGA&CD also has the responsibility of strengthening the employer function at the LG level by transferring requisite powers for effective management of human resources at the LG level. Given the erstwhile system where management control was centralized in the Provincial departments, there is a clear need for an organized stock taking to see if there is a case for further delegation of administrative powers.

10. Chief Minister's Inspection Team (CMIT)

10.1 The CMIT is a special unit created to conduct enquiries, carry out inspections and monitor development activities or working of departments at provincial and LG level. Headed by a civil servant, the CMIT undertakes these activities on the orders of the Chief Executive of the Province and to whom all reports, findings and recommendations are submitted for appropriate orders. The CMIT focus is on monitoring infrastructure development projects financed under the Sindh ADP.

11. Social Audits and Third Party Validation

11.1 To instill greater credibility in to the M&E functions and to provide, the Government of Sindh has been periodically organizing social audits and Third Party Validation (TPV), especially in the social sector, such as the TPV for BHUs and for SMCs . These have served as important exercises in objective assessment of whether the services are being delivered to the public in an efficient manner or not. The PRSP and the SLGO both lay stress on Social Audits and TPVs and the Government of Sindh does seem consistent in supporting the idea of TPV.

12. Donor Funded Projects/Programs

12.1 Development activity in Sindh is reliant greatly on international donor funding. In fact, the Sindh ADP is financed almost entirely through savings generated during the year and by foreign aid received from the donor agencies. Every donor funded project or program has its own M&E

and oversight arrangements, usually through steering committees, creating a very large number of such committees, all performing fairly similar functions. Sharing of information and ideas between the various steering committees is very limited and often does not go beyond exchange of minutes and public disclosure on the deliberations, decisions and reviews that these forums undertake is very limited.

13. Provincial Ombudsman

13.1 Along the pattern of the Federal Ombudsman, the Provincial Ombudsman provides the public with a grievance redressal forum against misuse or abuse of administrative and financial powers by government functionaries. The ambit of the Provincial Ombudsman, which earlier was restricted to the Departments and agencies of the Provincial Government only has now been expanded to oversee the working of the Local governments also. The government is providing support to the Provincial Ombudsman in the establishment of its regional offices so as to enable the common people to access the Ombudsman's office. An Annual Report is published covering performance and activities.

14. Other arrangements

14.1 The Government also organizes regular meetings with the LGs, mostly with the DCOs, to review progress on development activities and discuss administrative issues. Usually, these meetings are organized at the level of Governor, Chief Minister or Chief Secretary on a need basis. Interaction of the PLD Secretaries also takes place with DCOs and Nazims and occasionally with the EDOs but again there is no institutional arrangement for such meetings.

B. M&E ARRANGEMENTS UNDER SLGO- 2001

16. General Principles

16.1 The SLGO places great importance on M&E and on empowering the LGs in terms of administrative and financial capacities, to enable them to perform efficiently and effectively. Amongst the several provisions in the SLGO2001 for accountability, monitoring and evaluation arrangements, some of the key elements are highlighted:

17. The Sindh Local Government Commission

17.1 The Sindh Local Government Commission (LGC) has been established under section 131 of the SLGO 2001, with its main functions outlined in section 132 as follows:

- (a) conduct annual and special inspections of the local governments and submit reports to the Chief Executive of the Province;
- (b) conduct, on its own initiative or, whenever, so directed by the Chief Executive of the Province, an inquiry by itself or through District Government into any matter concerning a local government;
- (c) cause, on its own initiative or, whenever, so directed by the Chief Executive of the Province, a special audit by itself or direct a District Government to arrange a special audit, of any local government;
- (d) resolve disputes between any Department of the Government and District Government or between two District Governments;
- (e) enquire into the matters referred to it by the District Coordination Officer under the provisions of sub-section (3) of section 28 of the SLGO and by the Government under sub-section (4) of section 30 and give its decision thereon or, as the case may be, make report to the competent authority; and
- (f) submit to the Chief Executive of the Province an annual report on the over-all performance of the district and Taluka level local governments.

17.2 The Sindh LGC has been established and is operational, with the LGD serving as the Secretariat. The LGC has produced several reports and recommendations, which as per the provision of the SLGO, are submitted to the Chief Minister for further action. The LGC is clearly the most important institution for overall assessment of the performance of the LGs and is thus mandated to monitor and evaluate all aspects of their working, including reviewing the extent and nature of the powers devolved to the LGs.

18. Provincial Finance Commission

18.1 A Provincial Finance Commission (PFC) has been established under the provisions of the SLGO, whose principal responsibility is to allocate resources between the Province and the LGs and then within the LGs themselves, on the basis of objective, transparent criteria and to ensure predictability and regularity of fiscal transfers from the Province to the LGs. In addition, through instituting conditional grant mechanisms, the PFC is also responsible—in conjunction with the PLDs—for monitoring the compliance with conditions set out in the grants design, including reviewing whether funds were used for the purposes which they were provided, whether adequate financial management and accountability processes were followed etc. At the moment, the PFC award is an interim one and all fiscal transfer, although formula based, are unconditional. The DSSP conditional grants were sent in the first year of the Program as a Supplementary Grant under the PFC and represent the sole conditional grant mechanism at the moment. Through financial and technical support from the Decentralization Support Program—which has made funds available for establishing a PFC Secretariat and for hiring consultants—and the DSSP, which has provided a full time consultant to the PFC for monitoring the DSSP conditional grants, the PFC has initiated monitoring functions although these need to be strengthened, even for the unconditional elements of the Award.

19. Monitoring Committees of Councils

19.1 An effective monitoring framework has been envisaged under the SLGO2001 to provide oversight of the devolved responsibilities, with the aim of improving service delivery. A provision has been made in the SLGO for establishing monitoring committees for all the devolved departments at the District, TMA and Union Administration Level. These committees review the performance of the LGs and the Citizen Community Boards (CCBs) in terms of achievement of set targets; responsiveness to citizens' difficulties; efficiency in the delivery of services; and transparent functioning. The Committees are required to submit their quarterly reports to the respective Councils which may through a resolution require the respective Nazim to take necessary action. Although Committees have been constituted at different LG tiers, most of these are non-operational due to the absence of Bye-Laws to guide their functioning, low or no budgetary allocations to support the work of the Committees, lack of political will and because the roles and responsibilities of these Committees are not fully known or understood by elected representatives.

20. District Mushavirat Committee

20.1 The SLGO provides for a District Mushavirat Committee, to be headed by respective District Nazim and consisting of Naib District Nazim and all Tehsil Nazims and Town Nazims in the district. This Committee is mandated to crystallize vision for integrated development of the district; prioritize and coordinate inter-TMA development plans; and to resolve intra district disputes to muster resources for crisis management and to set direction for realizing economic, potential of the district. Although a very important and potentially powerful mechanism for M&E and for integrated, holistic planning within a cluster of LGs, this forum is largely non-functional.

C. ISSUES

21. As mentioned at the outset of this paper, in spite of the evident importance of efficient and effective M&E systems, the legislated prescriptions and contrary to the public pronouncements by the Government in this regard, monitoring does not appear to be a priority of provincial government and is beset with several issues:

- (i) **Narrow View of M&E** with a tendency to limit its role only to review progress report of development projects focusing on financial allocations, releases, utilization and to some extent physical progress. Management reviews from institutional, HR and financial perspectives are hardly, if ever undertaken.
- (ii) **Limited interfacing and linkages** between various institutions and institutional arrangements for M&E, resulting in fragmented M&E activities. This problem has been accentuated in the wake of devolution, which has created the need for not only horizontal interfacing at a tier of Government, but also for vertical linkages between different tiers.
- (iii) **M&E appears to be donor agency driven** with Provincial and local governments engaging in M&E activities due to policy covenants in donor funded projects/programs
- (iv) **SLGO monitoring mechanisms not fully operational** with the Local Government Commission, Monitoring Committees of Councils, Mushavirat Committee, etc are not working effectively for reasons outlined in para 19.1
- (v) **Lack of capacity at almost all tiers of Government** with the M&E responsibilities entrusted to staff who either do not possess requisite skills or are working with outdated skills and knowledge.

- (vi) **Absence of benchmarking** and use of indicators to measure performance in an objective, transparent manner

D. OPPORTUNITIES

22. While all of the above mentioned issues collectively pose a severe challenge for the Government to counter, the SLGO and the devolved set up provides opportunities as well:

- a. The SLGO provisions and the Government's recent policies have **opened the door for more inclusive, participatory and transparent M&E processes** such as Social Audits and TPVs
- b. Although presently donor driven, M&E is being increasingly viewed by the Government as critical for effective, accountable utilization of public resources and there appears to be a **move towards mainstreaming M&E**
- c. **Greater citizen voice** and improved public accountability mechanisms are being incorporated within the Government's operations
- d. A more liberal media environment and the benefits of Information Technology have resulted in **greater access to information**

SECTION III

ESTABLISHING AN M&E FRAMEWORK

23. Strategy

23.1 As is evident from the overview of the M&E arrangements in practice, there is a gap in terms of institutionalized M&E arrangements for reviewing the performance, progress and problems associated with management functions at the LG level. In order to achieve the objectives outlined in para 2 of this paper, it is proposed to approach the challenge with the following strategy:

- a. Divide the review process in two phases so as to enable a systematic organization of work, in a manner that the outputs of work undertaken in Phase I serve as the basis for the work in Phase II
- b. Although the LGC has the broad mandate under the SLGO to undertake this initiative, but there is a strong case for this being a multiple stakeholder initiative, involving the PLDs, LGs and members of the civil society
- c. Select 5 Districts and 20 TMAs to form a representative sample of LGs. At least 15 of these LGs will be from Rural areas of Sindh and they will be geographically, demographically dispersed, with at least one district and at least 4 TMAs from areas with poorest social sector indicators (measured either through SPDC Deprivation Index or MICS data)

Phase I Scoping (8 months)

23.2 Under the leadership of the Chairman Local Government Commission, initiate a process of reviewing the devolved administrative and financial powers by assembling a purpose-specific Review Team that collects information on and allows the provincial government to arrive at an informed assessment of:

- Efficacy of devolved powers in reinforcing devolution synch with missions and objectives of SLGO-2001 and to assess if a correct balance has been struck between the powers to be retained at the provincial level and those that need to be devolved
- the adequacy of administrative and financial powers already devolved
- problems in implementation and exercise of the devolved powers

Phase II Strategy Formulation (6 months)

23.2 Based on the outcomes and outputs of Phase I, the Review Team will initiate work on developing institutional mechanisms, including instruments, TOR and timelines for periodic efficiency and effectiveness reviews of management functions at the LG level and for overseeing implementation of its recommendations made in Phase I.

Phase III Validation (3 month)

23.3 Based on the implementation of various mechanisms and tools over a reasonable timescale (ideally 12 months after the completion of phase-II) a stakeholders' validation survey would be undertaken.

24. Composition

24.1 In this respect, it is proposed that this Review Team have the following composition:

Chairman SLGC	Chairman
Two Members of the LGC	Members
One District Nazim (from DSSP PSC Members)	Member
One TMA Nazim (from DSP PSC Members)	Member
One DCO	Member
Two Civil Society Members (From DSP/DSSP PSC Members)	Member
Special Secretary LGD	Member
Director General (M&E) P&D	Member
Additional Secretary (PDF) Education	Member
Additional Secretary (LF) Finance	Member
Additional Secretary (Dev) DoH	Member
Additional Secretary, SGA&CD	Member
Director General LGC	Member/Secretary

25. Terms of Reference

25.1 The Review Team TORs will be as follows:

- i. Carry out a detailed review of the administrative and financial powers devolved to the LGs, in terms of:
 - a. Adequacy of the powers to enable effective functioning of LGs
 - b. Knowledge, understanding and relevance of these powers at the LG level
 - c. Identification of major issues in relation to implementation and exercise of devolved powers
- ii. Recommend specific actions that will resolve issues and remove hindrances to create a more enabling environment for LGs, including recommendations on creating institutional interfaces, minimizing duality of responsibility and overlap and requisite legislative amendments
- iii. Identify the methodologies, instruments, benchmarks for measuring progress and provide timelines and costs associated with Phase I and Phase II activities
- iv. Propose a mechanism for transition from Phase I to Phase II activities
- v. Recommend strategies, institutional mechanisms and approaches for regular M&E exercises in relation to management functions

26. Working Groups

26.1 The Review Team will organize its work by splitting into two working groups:

<u>Working Group 1</u>	<u>Administrative Powers</u>
Member 1 LGC	Chairman
Special Secretary LGD	Member
Additional Secretary (PDF), Education	Member
Additional Secretary SGA&CD	Member
PD, DSP	Member

Working Group 2

Financial Powers

Member 2 LGC

Chair

Chief Economist P&D

Member

Additional Secretary LF/PFC

Member

Additional Secretary (Dev) Health

Member

PC SRP

Member

27. Co-option of Members and Hiring of Consultants

27.1 The Review Team and the Working Groups will have the option of inducting members who they think can assist and add value to the review process and will also be able to engage consultants for this purpose through financial support from DSSP TA Loan.

28. Methodology

28.1 The Review Team will:

- i. Compile all the rules, regulations, notifications, summaries, orders and instructions relating to devolution of administrative and financial powers
- ii. Review existing literature, in the form of reports, studies, analyses on the status of the devolved powers and problems associated with their use.
- iii. Develop instruments for primary research
- iv. Establish governance benchmarks for measuring the adequacy of the current devolved powers
- v. Carry out primary research in sample LGs including interviews with stakeholders
- vi. Working Groups compile report as per TORs
- vii. Reports presented before Review Team, which after amendments if any, will present the report to the Chief Executive (Chief Minister) for orders and further action

- viii. After approval from the Chief Minister, the Review Team will arrange to have the report published and will initiate work on Phase II, focusing on stakeholder implementation of the recommendations of the Report

29. Instruments

- 29.1 The Review Team will use the instruments given at **Annexure - C** for this review initiative

ANNEXURE - C

M&E INSTRUMENTS FOR MANAGEMENT REVIEW

I. Delegation of Administrative Powers

	Area of Delegation	What has been devolved, when and by whom	Implementation Status and Impediments	What further devolution is required	Responsibility and Timelines
1	Sindh District Governments (Conduct of Business) Rules-2001				
2	Promulgation for Sindh Town/Taluka Municipal Administration Rules of Business-2002				
3	Promulgation of Sindh Union Administration's Rules of Business-2002				
4	Amendments in existing Minor Laws / Acts / ordinances/rules/regulations to align with provisions of the SLGO-2001				
5	APT Rules				
6	Sindh Civil Servants (Efficiency and Discipline) Rules, 1973				
7	Ex-officio functions performed by the erstwhile office of Divisional Commissioners and Deputy Commissioners				

II. Delegation of Financial Powers

	Area of Delegation	What has been devolved, when and by whom	Implementation Status and Impediments	What further devolution is required	Responsibility and Timelines
1	Planning & Budgeting powers transferred to DGs/TMAs				
2	Delegation of Drawing & Disbursing Powers for TMAs				
3	Definition of Divisible Pool and share from divisible pool transferred to DGs/TMAs thru PFC				
4	Transfer of 2.5% GST share received from Federal Government in lieu of the erstwhile OZT				
5	Property tax and Entertainment Duty transferred to TMAs				

III. Delegation of Contract / Technical Powers

	Area of Delegation	What has been devolved, when and by whom	Implementation Status and Impediments	What further devolution is required	Responsibility and Timelines
1	Delegation of powers to DGs / TMAS to enter into a contract(s) for various purposes including hiring of consulting services				
2	Delegation of Powers for Technical Sanction of Water Supply & Sanitation schemes				

ANNEXURE -D

TIMELINES & ESTIMATED COSTS

Activity	Cost (\$)	Time Line					
		Jun	Jul Aug Sep	Oct Nov	Dec Jan	Feb Mar	
Organization of work and facilitation of LGC							
Hiring of Consultant (s) for Review Team	2500						
Finalize composition of the Working Groups							
Prepare Schedules of Review Team for Field Visits							
Finalization of Instruments and their printing	1500						
Hiring of Team Assistants (two) @ 250 each	500						
One unbranded PC	500						
Fax Machine	500						
Copier	1500						
Stakeholder Toolkit							
<ul style="list-style-type: none"> ▪ Development of criteria, guidelines, standards of performance, benchmarks and their publication ▪ Develop compendium of existing devolved powers 	3500						
Advocacy & Outreach							
Development and printing of <ul style="list-style-type: none"> ▪ Review Team Report in English, Urdu and Sindhi (3000 copies@ \$2 per copy) 	6000						
LGC Website development, hosting, management	2500						
Workshops/Meetings 10 x 30 participants @ 15	4500						
Administration Expenses							
Stationery, Utilities for 10 months \$1500	2000						
Travel costs (including per diem) 6 visits x 10 members @ 150 each	9000						
Contingencies \$ 500	500						
Total	35000						