



Technical Assistance Consultant's Report

Project Number: 37220
October 2008

Islamic Republic of Pakistan: Sindh Basic Urban Services

Prepared by Fawad Khan, PPTA 4534 Consultant
For the Planning and Development Department, Government of Sindh

This consultant's report does not necessarily reflect the views of ADB or the Government concerned, and ADB and the Government cannot be held liable for its contents. All the views expressed herein may not be incorporated into the proposed project's design.

Asian Development Bank

Field Visits Report and Analysis
June 6 – 12, 2007 and June 29 – July 2, 2007

1. The objective of the first visit was to carry out an institutional assessment of selected Taluka Minicaipal Administrations (TMA) in Sindh to determine their ability to deliver sustainable basic urban services. The report focuses on the issues with the design and implementation of TMAs that impede service delivery in these TMAs. More specifically, it looks at the financial and administrative anomalies in the Sindh Local Government Ordinance (SLGO) and its implementation along with the political aspects. It also follows various amendments in the law ever since its promulgation in 2001 and evaluates their potential effect on TMAs ability to fulfill their mandate.

2. The second visit was made with the public finance and private sector participation specialist. Along with supporting the mission members in their respective areas the main objective was to study and analyze the organizational processes (functions, staffing, finance/cost recovery, service standards etc.) to highlight how main services are provided, their adequacy and main structural impediments to service provision within the TMA.

3. The report is based on the SLGO 2001, the following amendments/orders, reports from ADB PPTA 4432 and 4534 and field visits to Sukkur, New Sukkur, Rohri, Khairpur, Larkana and Shikarpur TMAs. The analytical framework for Institutional Analysis vis-à-vis decentralization is similar to an assessment by the Water and Sanitation Program, underway in North West Frontier Province (NWFP) for comparison but does not follow it strictly and delves into the political aspects to further explain constraining factors. For organizational service delivery aspects key widely accepted indicators for the concerned sectors are used as benchmarks for analysis.

A. Decentralization of Service Delivery and Institutional Environment.

Administration

4. The SLGO assigns the Tehsil, a pre-existing, revenue boundary as the unit for micro-municipal services¹ on basis of it being the smallest technically feasible unit for infrastructure like landfill sites and wastewater treatment plants. Geographically, it is usually of a size where staff can visit any site and return the same day making it a suitable unit for central management, if required. The Tehsil Municipal Administration is a Body Corporate, which is independent, yet recognized by the government, so that it can provide fiscal transfers to it.

5. The chief executive of the TMA is Tehsil Nazim who is indirectly elected by the directly elected Nazims of the Union Councils (UC) along with the District Nazim on a joint ticket. The UC Naib (deputy) Nazims make the council of the Tehsil and the indirectly elected Naib Nazim of the Tehsil is the convener of the house at Tehsil level.

Staffing

6. The staffing for this unit was to be provided from three main sources. The Local Government and Rural Development Department (LGRD) was to provide expertise in rural water and sanitation, the Urban Local Councils for urban water and sanitation and finally the

¹ This includes water, sanitation, solid waste, street lighting, parks, pavements, streets, traffic engineering and firefighting etc.

engineering skills were to be transferred from the Public Health Engineering Wing of the Local Government Department (PHE).

7. From the onset, PHE tried not to devolve to the TMAs and the staff saw it as a demotion. Senior staff managed to remain in the province in a special unit, which undertook the priority foreign projects “to ensure quality and timely implementation”. Later with the support of the Chief Minister PHE has been re-constituted through an executive order² for mega-projects (above Rs. 10 million). In the six TMAs visited it was found that the PHE is being liberally funded with Federal, Provincial and District funds.

8. As a result the TMAs are left with very little technical capacity in their permanent staff. Another longstanding issue is that the PHE is obligated to ensure that schemes are technically sound. However, the technology need not consider social or economic factors in its design. Most TMAs complained of the inappropriateness, lack of consultation and poor quality of the schemes made by PHE. In short, the planning aspect of the larger infrastructure goes out of the purview of the municipality. Moreover, the requirement of technical sanctions cannot be fulfilled within the TMA and they have to rely on a PHE official. The TMA staff did not see this as a great hindrance to their work and reported that the cost of getting such a sanction is not high as long as the execution stays within the TMA.

9. For spatial planning, a separate function was evolved that would cover the entire area of a Tehsil (urban and rural), keeping in view the agricultural land-subdivision and haphazard expansion of the peri-urban settlements in most of rapidly urbanizing province. The posts for planners were never filled. There is, however, provision for outsourcing of functions to the private sector in the TMA. The concept of TMA was not necessarily that of a service provider but more of a facilitator and regulator. This facility has been used for limited extent by the TMAs, whereas in other area in the country some TMAs have successfully outsourced revenue generation functions like approval of architectural plans etc. Regulation is another key function for the TMA that cannot be carried out with the current capacity. Drinking water quality and presence of substances like arsenic are not checked. In the field visits even the simple and cost effective measures like chlorination were not used for drinking water. This is another function that can be clubbed with pump operation and out-sourced easily.

10. Some initiatives for outsourcing were seen in Sukkur but the extent of their contribution to improved service delivery is limited. The contracts are overly simplistic. They lack performance standards and incentives. They also leave little options for the contractor for recourse. The TMAs have made these contracts very “safe” for themselves and can hence completely manipulate the contractor, which does not bid well for improvement in service delivery and allows corruption. Slight improvements in contract design can lead to much progress in service delivery.

11. Issues: Since the staffing is provided through three different kinds of employees, the concept of an independent, representative body corporate is diluted for the following reasons:

- (i) PHE staff is a part of provincial cadre that follows the public works department rules of business that were formulated for cost centre for development activities. In reality, rents (monopolistic discretionary powers) were created for contracting construction for certain sectors in a cost centre. This culture is ill-suited for a service delivery profit centre and more amenable to its older de jure use.

² This order goes against the stipulation of the SLGO 2001

- Technical sanctions, execution powers of the older system are maintained and can be made useful at the provincial level, for which they were devised. At the TMA these rules do not make much sense.
- (ii) The Urban Local Council staff is also on contracts that make accountability for performance almost impossible. Some of these staff brings with them a culture of corruption that feeds on the societal indifference to a certain group of marginalized communities.³ The armies of sanitary workers have little to do with SWM and more with exchanging social security (health and housing) with legal income. These are widely employed and only ex (Urban Local Council (ULC) staff can manage this exchange, and therefore the PHE staff tends to stay out of this business. As a result, the staff qualified technically for service provision cannot be of any use to the municipality because it has no experience in the culture of this profession and also the rules of business of the parent department has not provision for such service delivery i.e. outsourcing, performance contracts etc.
 - (iii) There is also staff for some of the former local government functions like support for the panchayat (some sort of local council) and octroi (tax collectors). Although, it would make sense to transfer the panchayat staff to Tehsil council support and octroi to user fee collection, this has not been possible. Once again the exchange of social protection for salary has been the key reason for their existence.

Structure

12. During the transition, a specific organizational structure was proposed to simplify transfer of staff and, more importantly, ensure that there was no “dip” in service delivery. This included four sections within TMAs, namely, Finance, Infrastructure and Services, Planning and Regulation. There was a provision to retain the Chief Officers from each, erstwhile, Urban Local Council at their duty stations to provide continuity. The SLGO does not stipulate that this structure be maintained. On the contrary, it was expected that TMAs would reorganize to suit their functions. For example it may wish to separate urban from rural service provision, keep all towns separate self sufficient entities or club them together into one regional utility.

13. The actual staff provision and strict control of schedule of staff has straight-jacketed the TMAs. Lack of basic staff has put them in a firefighting mode where a staff schedule is maintained but the structure is fluid. Not surprisingly, none of the 13. TMA has an organogram.⁴ Also at different places, depending on the leanings of the Nazim different staff enjoyed varying powers. In some cases the TMO seemed to be in charge and at others the PHE staff had an upper hand. In Sukkur city the AD Parks seemed to be the key advisor and advocate of new initiatives.

14. Issues:

- (i) There is not one TMA staff incentive to provide services. Different staff groups come from different cadres of provincial government that perform according to their formal and informal institutional culture and constraints. PHE's engineers follow rules of business made for development activities whereas the tenure security among ULC staff and strong informal cultural based on social powers is

³ Globalization and social exclusion in cities: framing the debate with lessons from Africa and Asia by Jo Beall, 2002

⁴ The actual functional structure for the basic services will be documented after the second field visit. See Annexes

maintained in among ULC staff. These groups keep their distance and do not cross boundaries.

- (ii) The TMA is therefore a mixture of informal cultural and formal structural rules that are not only incompatible with each other but not aligned to the service delivery objective of the TMA.

Financial

15. Although there is a steady increase in the collection of own source revenue, the quantum of new investments from vertical programs is extremely large and skews the TMAs ability to plan and provide services. (need to analyze the tax effort over last five years also)

16. There is always the risk of giving wrong incentives to local governments through large fiscal transfers, however, the amount that TMAs gets at the moment does not seem enough even for pre-existing service delivery. An analysis of pre and post devolution expenditure of W&S (mainly LGRD and PHE) needs to be undertaken to see whether the initial levels of fiscal transfer were at least up to the previous level or rather designed so that they would inevitably stifle the TMA financially

17. As mentioned above, most of the development fund for the schemes is coming from vertical programs. The SLGO does not prohibit the upper tiers from investing in the TMAs sectoral and geographical jurisdiction, however, implementation through the TMA is likely to increase its capacity and facilitate planning that is suited to local needs. The choice of a shallow sewer cum deep drain initiated by some TMAs seems to be a counter-argument but, in fact, the highest levels in the provincial government technically and administratively approved it for different reasons. Therefore, putting implementation at higher levels has not prevented choice of such technology.

Political

18. The Nazims, as administrators of this tier of government have a very strong position in all decision making. They represent a majority in the council and only need the same majority council to approve their actions. The province has tried to curtail their powers by retaining the staffing decisions with themselves and the resulting issues in TMAs. The posting and transfer function has been used to weaken TMA Nazims especially when the party affiliation has been in opposition to that of the province's. Also it was observed that where the Tehsil and District Nazims were from the same political party the functions ran much better. Recently all posting and transfers above grade 6, needs to be approved by the Chief Minister, which results in an extreme centralization of powers

19. In another instance the (District Coordination Officer (DCO) has been made the head of steering committee which oversees the execution of projects at TMA level and where TMA Nazims are members. While understandably a response to the need for improved coordination of PHE-executed vertical schemes cutting across two TMAs, this could be achieved without undermining the autonomy of the local governments. Consistent with the SLGO, the TMAs could have themselves organized a joint implementation committee, or worked through existing monitoring committee structures.

20. The Nazims, however, do need to be held accountable by the local level of political leadership and electorate. The accountability mechanisms in SLGO in this respect are very

weak. Besides elections every three years there are little means for the citizens to exercise any form of answerability or enforceability on the TMA Nazim.

21. Complaint cells and public participation in various activities were chosen as means of downward accountability. Complaints by definition are weak and the envisaged participation through local government sponsored village or neighborhood councils or through non-government citizen community boards (CCBs) in all the sites visited was non-existent. Sindh is probably the only province where the mandatory 25% development expenditure through CCBs is not enforced. Some TMAs have not even set up the separate accounts for keeping such money without any reaction from the province. Although civil society participation has had miraculous results in many instances such as in OPP, universal civil society oversight through voluntary participation as a sole source of downward accountability does not suffice⁵.

22. Most elected TMA Nazims and voting councilors (Union Council Naib Nazims) see the CCBs and the village/neighborhood councils as their direct political competition for limited own source development funds. The citizen may, therefore, clearly see wrong-doing on the part of the administration but is legally or organizationally unable to do anything about it, without the fora of village/neighborhood councils or CCBs, which are government approved bodies responsible for planning and overseeing development activities. This would remain so unless mechanisms for additional countervailing forces to exert their voice⁶ are introduced or market based solutions are put in place that would outperform the current perverse incentives. Other forms of accountability such as media and judiciary are very weak at this level. The only procedure to depose a Nazim is too cumbersome and has to be followed by a majority in the house. Therefore, such a majority offers complete impunity from voice from below.

B. Organizational Aspects of Service Delivery within TMAs

23. According to the previous studies following is the status of service delivery in the urban areas in some of the selected TMAs. The figures, based on the 1998 census, are far from the actual situation on the ground. It is not likely that the services have dipped so much after 1998 as some of the currently quoted figures in Sindh Special Development Project documents and other sources continue the progression from 1998 and are just as misleading. Also the current population figures are projected on singular urban growth rate (usually 2.8% or so) which in reality may vary quite a bit from city to city.

Item	Population (Urban)	Potable Water (% h/h)	Sanitation/ Latrines	Actual field observations for water*
TMA/City				
Sukkur + New Sukkur	335,551	71%	46%	Almost 100% connections and no drinking quality water
Rohri	224,362	80%	100%	Same as above
Khairpur	105,637	36%	?	No drinking quality water
Larkana	270,283	26%	44%	No connections
Shikarpur	134,883	51%	47%	No connections

Note: It was not possible to make any informed judgment on sanitation coverage

⁵ Civil society is very weak in Sindh, which is one of the most deeply feudal society in all of the sub-continent. Private jails and bonded labor are still reported in rural Sindh.

⁶ There are several options for this, which can include financial oversight from either minority leadership or a council of elders or civil society as in Bolivia.

24. In Larkana and Shikarpur, for example, the households do much of the water provision. Interviews with TMA staff revealed that the TMAs do not provide any household connections. The figures show an entirely different situation. Also for sanitation there may be latrines in the houses, but the waste water flows in open storm drains. As with most official statistics, it is possible that some of these figures include the installed capacity of the previously implemented schemes by the PHE (or other departments) and represents the design figures but not the actual level of service (with the assumption that all previous schemes are running with 100% efficiency.) The above demonstrates lack of information/knowledge on service levels and also any baselines or maps for the existing infrastructure. Part of the reason is that the execution was done by external agencies (mostly PHE), which are not interested in helping provide such records. The main objective of these agencies is the development of schemes and they do not concern themselves with actual service delivery as this is outside their mandate. There is little incentive for them to PHE to monitor actual service provision versus planned capacities as service provision is outside their purview.

Staff and Structure

25. The quality of service provision seems to be inversely related to the number of staff assigned to the sub-sector. Solid Waste Management has the highest staff yet the worst performance with no disposal function and very little secondary transport. Similarly regulation seems to be very weak contrary to human resources allocated in quantitative terms.

Staff in Basic Services

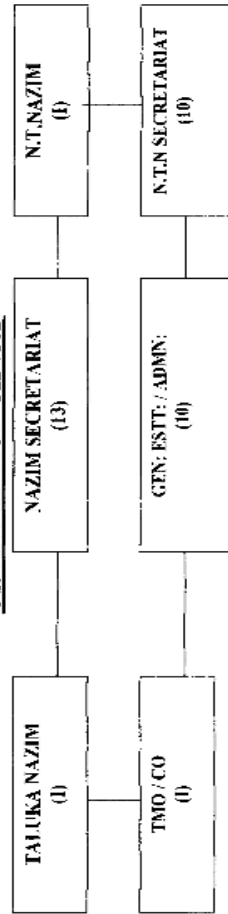
TMA/City	Water	Solid Waste	Drainage/Sewage	Fin.+ Reg.+ Pln.
Sukkur	105	354 (+100)	28/54	13 + 89 + 4
New Sukkur	included in above	66	14	xx + 0 + 0
Rohri	28	114 (+60)	5	07 + 58 + 0
Khairpur	57	250 (+114)	50	10 + 63 + 5
Larkana	6	479	58	15 + 136 + 7
Shikarpur	5	184	42	10 + 15 + 8

Note: Number in brackets () indicate staff hired on daily basis.

There are hoards of staff such as octroi, panchayat section that draw salaries from the TMA budget but appear to lack either skills or motivation to be productive. The province has placed this staff into the TMAs to be paid from their share of the budgets as laying off these staff is not feasible for the province considering the rules of employment under which they were hired.

26. The proposed structure (see diagram below) of the TMA in SLGO is not very suitable for service provision nor understood. It is unbalanced and one section (Infrastructure and Services) carries the bulk of TMAs functions. The other sections are, at most, supporting activities for this section. Each of the services such as water, drainage and SWM need separate sections and (at least semi-professional) managers. The TMA organizational structures are in Annex 2.

TALUKA MUNICIPAL ADMINISTRATION KHAIRPUR
ORGANIZATION CHART



Vacant Posts	Infrastructure & Services	Municipal Regulation	T.O Planning	Finance
Sub-Engineer 04	T.O (I&S) 01	T.O (Reg.) 01	T.O Planning 01	T.O (F) 01
Accountant 01	D.T.O (I&S) 01	Supporting Staff 62	Senior Clerk 01	Accounts Superintendent 01
	Supporting Staff 15	Panchayat 59	Junior Clerk 02	Accountant 01
Total 05	Sanitation & solid waste management 316	Vacant 24	Nab Qasid 01	Deputy Accountant 01
	Fire Brigade 19	Women Industrial Home School 06	Total 05	Senior Clerk 01
	Street lighting 13	Total 152		Junior Clerk 04
	Others			Nab Qasid 03
	Anti Encroachment 05			Total 12
	Nursery section 19			
	Water Supply 57			
	Work Shop 03			
	Drainage Section 49			
	Total 498			

27. Most functions are currently being provided with lower level staff as one qualified engineer cannot possibly be managing such large number of staff and provide functional oversight. They are usually confined to giving oversight to new infrastructure and some major repair and maintenance issues. Annex 1 shows the staff levels in different services.

28. Despite the high numbers there is a visible lack of professional staff. Even in TMAs with several hundred staff there is at most one or two engineers. The planning offices do not have architects and finance section may at the most have a junior level accountant. Financial planning and strategic management is completely missing. Not one TMA had a professional manager and most functions were supervised by TMOs who were the operational heads of erstwhile Urban Local Councils. They may have good skills in personnel management but do bring the baggage of a decadent professional culture with them. The Nazims, being politicians, needs a professional manager under him/her to help them organize and run the TMA. This person would need to have an educational background in business administration and several

years of experience as manager in a services company. Only a professional manager can start improving functions within the different sections of the TMA.

29. The TMAs despite their autonomy have not been able to improve the situation much in the last few years and have continued to face the problems that were endemic to the previous urban local bodies. The following sections briefly outline how services are currently provided and the highlight issues that impede service delivery.

C. Drinking Water Supplies

30. The actual drinking water provision by the TMAs is abysmally low in all the towns. Those with potable groundwater are not even trying to provide water. Cities with water supply do not perform the requisite treatment and hence the water quality is very poor and it is unsafe for drinking.

31. The (mis-) management of the service provision is evident from the table below, which compares the indicators and their optimal values in brackets against actual situation in selected TMAs

Indicators (desired standards)	Sukkur + New Sukkur	Rohri	Khairpur	Larkana	Shikarpur
Employees / 1000 connections (<3)	10/legal connection Actual 2.3	10/legal connection Actual < 3	Legal connections ? Actual 3	6 for one connection	Not applicable
Hours of Service/ day (24)	2 hrs twice a day	2 approx and alternate day service in some areas	2 - 4	none	none
Billing ratio (99%)	25%	minimal	minimal	none	none
Collection ratio (> 95%)	12.5%	insignificant	insignificant	none	none
Water quality (drinking)	Partially treated mixed with raw river water	Almost raw water	Settlement ponds mixed with raw canal water	Groundwater with arsenic in unidentified areas	Groundwater with arsenic in unidentified areas
Assets (fully functional)	Decrepit	Decrepit	Partially operational	Non-functional	Non-functional

Note: Values are assigned based on interviews and field observations of the ADB mission members
Values in brackets are internationally accepted performance levels for these services

Quality

32. As mentioned above water quality is substandard and people have to fetch drinking water from various sources. In Sukkur they go to certain tubewells and there are two filter stations where people get free drinking water. Richer people get bottled water and there are a few companies that provide this service at Rs 1/litre. Khairpur has a thriving informal water vending business. The water is collected from a tubewell next to the canal, which is financed by a religious neighborhood group and provides free water to all in the name of public welfare. The vendors carry this water around town in 15 liter canisters and sell it for Rs 5 per can. The quality of this water is not monitored but is preferred to the municipal water. None of the TMA have the capacity or the intention of monitoring water quality at the most basic level.

Staffing and Processes

33. Staffing in water seems high when we compare it to legal connections; however, in quantity they are appropriate when we compare them to the actual number connections using population and household size. The quality of service, nevertheless, is very poor. This can be partially attributed to the lack of skills but according to some of the functionaries, the main reason is inadequate allocations for O&M of the system. Financial analysis by the Public Finance consultant shows that there is sizeable unspent budget every year. This indicates poor financial planning and lack of management skills to improve water supplies.

34. Functionally, the ex-PHE deputed W&S Engineers oversee new development schemes and approve repairs. Lower level SUGC staff that still reports directly to the TMO performs main O&M. In many places unskilled staff, such as guards act as pump operators. This arrangement allows the systems to be run with current resources but lack of basic knowledge on machinery takes its toll on the equipment and also prevents qualitative improvement services.

35. Due to the dearth of professionals and unsuitable structure, the TMA still mimics the old system where the PHE was the executor of schemes and urban local council staff provided operation and maintenance (O&M). The selection process, execution and maintenance appear to be much more streamlined within the same organization and the functional overlap in maintenance and repair improves understanding and synergies. This, however, is only a minor improvement and unless qualified staff is available for operations the service levels would remain basic.

36. The drainage staff is another group that reports to the Taluka Municipal Officer (TMO) directly unless there is new infrastructure requirement or repairs to be approved. Once again the technical skills available are not at par with the requirements but sectoral allocations for O&M seem to be the immediate limiting factor in quality and level of service delivery. In contrast to the drinking water supplies the drainage schemes were better maintained with backup generators and motors. Despite the monsoon rains the situation seemed to be reasonably better controlled (even when compared to Karachi). This is one area where we see that the Nazims are held to account by the public as the patience for inundated streets runs low very soon. The staff in Shikarpur reported that public burned down the TMA office because the rainwater remained in the streets for a third day. Therefore, the performance of systems due to better financial allocations for them seem to be emanating from the political representatives, as was intended by the local government ordinance.

Costs and recovery

37. The politics have another side also. Whereas there is a strong demand and willingness to pay for services the willingness to charge has not been incorporated into the political culture as yet. Although there is a steady improvement in the own source revenue (OSR) (from the public finance analysis) the concept of fees or charges in return for improved services has not been practiced in any of the TMAs. Rohri and Khairpur do have approved water charges but do not collect them. In Sukkur the private sector collector can only collect from those who had applied for a connection and are on file. Almost all the households are connected to the water supply and some multi-storied building have multiple connections also. Of those legal connections that are billed only about 50% pay. The consumers complain that they do not want to pay for intermittent and poor quality supply. Once again unspent budgets somehow do not tally with the lack of resources for service delivery.

D. Solid Waste Management (SWM)

Primary collection

38. Solid waste management seems to be the bane of all TMAs and continue to cause the problems that the erstwhile urban local council suffered. The former chief officers or the same people in the name of TMOs still control manage the abundant staff, which doesn't work and cannot be fired because of the nature of their earlier contracts. The Taluka Officer (TO), Infrastructure and Services (I&S) in all the TMAs has nothing to do with SWM although the proposed SLGO structure puts it under their control. Almost all of this staff is supposed to be used in primary collection and street cleaning. Actually they work inside houses and charge the households directly. For the time they are not doing the official job they return the salaries to the disbursing officer in the TMA. The only interest that the sanitary staff has is in the pension, housing and medical benefits for the families. Until new forms of recruitment or (private sector participation (PSP) contracts are issues this situation cannot be relieved. TMA Sukkur has tried outsourcing street cleaning and deploying this staff under the contractors but this has had little effect on their performance because of the nature of their tenure and the surplus income from working privately. The ban on further recruitment seems to be the only measure, which may solve this problem with attrition through retirement in some time to come. One of the problems with some of this staff (along with its management) and expenditure, is the culture of corruption that they often bring to the TMA. Similar hiring and contractual arrangements in future are likely to undermine the ability of TMAs to provide and finance basic services.

39. All the cities are littered with waste and there is hardly an open area where one does not see solid waste scattered. The sweepers in the street tend to throw waste in the open drains. Every few weeks when a drain is choked the drainage workers take it out and put it back on the street along the drain where it either finds its way back into drains or is lifted and dumped in the nearest open space in the city.

Transport

40. As most garbage does not have an assigned and monitored place to go it seems to make rounds around the city. The transport for transfer of garbage seems inadequate and is even then most likely under-utilized. As the transport and dumping is not monitored (by weight, no. of trips etc.) the drivers have an incentive to save and sell excess diesel by carrying it the

least possible distance. The staffing in this section is restricted to a few drivers and is in single figures in most TMAs.

Disposal

41. None of the TMAs have a proper disposal sites. Most of the waste is dumped on random sites around the cities and not much attention is paid to the environmental problems that this may cause. Lack of proper sites for dumping and its monitoring is the basic missing link in solid waste management in these TMAs. All future investment should therefore be towards landfills and systems to monitor quantities deposited. Street cleaning and door to door collection is the least important part of the chain and large bin/filth deposits on every street are usually enough to get the garbage in the system. There is no staff assigned to landfill management or monitoring of removal through transport.

Costs and Recovery

42. Traditionally, conservancy charges were used to cover the cost of solid waste management. These days most TMAs have very low rates and/or do not actively charge the consumers. Businesses suffer and would be willing to pay charges for these services and even subsidize disposal partially. Public consultation, awareness raising and other communication strategies may improve the situation considerably but once again the management political and administrative does not seem to have incentives and skills to take such measures.

E. Regulation of Services

Current regulation

43. Regulation of basic service rests with the TMA. This poses a serious problem when the TMAs take the role of the primary service provider as then it is regulating itself. According to the design of SLGO the TMAs are not expected to provide service themselves except in some basic areas. However, the practice is complete opposite of the vision in SLGO.

44. The water quality, solid waste management and other services, therefore, are not monitored or managed for quality. This further reduces incentives for better service delivery or adherence to some minimum basic standards.

45. Besides public health other forms of regulation such as zoning, building design etc, is almost non-functional at the TMA level.

Needs for future

46. Drinking water quality needs to be regulated in the sample TMAs. This is a basic public health issues which is further compounded by the fact that arsenic and other heavy metals have been detected in the vicinity of Khairpur and Shikarpur.

47. At some point in near future the open dumping also needs to be controlled. There is danger of subsurface water contamination from the leachate and spreading of diseases from airborne distribution.

48. Also aesthetically the effects of open dumping are visible. One of the main roads entering Larkana has an open dump on its side. This affects land prices and does not help attract investment into the area.

F. Informal Sector in Service Provision

- (i) Water vending in Khairpur (micro/individual business) see attached notes
- (ii) Water bottles 25l in Sukkur (small companies) see attached notes

G. Notes from Field Visits to TMAs

Sukkur City

49. The Nazim said that his TMA was technically equipped to undertake mega-projects through private sector contractors as long as they were allowed to use item rates instead of the scheduled rates, which are outdated and below market prices. They were already undertaking a project for solid waste with their own funds. The main problem, however, was with O&M funds to run the systems. The TMA functionaries said that they did not have much say in the implementation of the mega projects by PHE. They did not agree with the design criterion and said that some pumping in the schemes was unnecessary and they would have financial difficulties in running the schemes as the electricity charges were high.

50. For cost recovery the TMA has outsourced the collection of water charges to a private contractor on a percentage share basis in one Union Council. The contractor seemed frustrated with the inability to expand the user base beyond the legal connections for which demand notices (application for connections) were available within the TMA record. These connections constitute roughly 25% of the connections estimated by population and household sizes. The contractor is trying hard for the TMA to help him include more people in the billing list but is meeting some resistance.

51. The water quality was poor and pumping was done a few hours a day. Water, which is unfit for drinking was supplied on average of two hours every alternate day, although this varied greatly from area to area and season to season.

52. Another contract has been given out in a Union Council for sanitation services at lane levels by hiring 20 contract employees and managing the permanent staff allocated to the UC. The TMA claimed that the system worked well yet did not say much about cost recovery in terms of conservancy for these services.

New Sukkur

53. The TMA was new and a previously a part of the older TMA. Since there were integrated W&S systems in the city it was hard to delineate boundaries and functions. Staff said that the TMA came into being because of political reasons and made little sense especially because of the limited funds and staff available to them. He said that only a complete household level survey would allow them to separate their area from the older TMA. Very little staff was around in the TMA and the staff said that the little sanitary staff the TMA had was deployed in Govt. offices of the District and Judiciary etc. He said that their participation in the implementation of the mega projects was just a formality, although the projects would partially serve areas within their own jurisdictions.

Rohri

54. Staff said that the TMA needed oxidation ponds for sewage treatment before it was discharged into the river Indus upstream from the intake for drinking water. They also needed a landfill site for solid waste, which they did not have. Rohri seems to be well-endowed with OZT based on the Octroi it collected on vehicles that went around the country through this railway and road junction that leads to all four provinces. Although there are water charges and conservancy at the same rate as TMA Sukkur, the TMA provides all service free of charge. During the meeting a furious ex-local government employee intervened and said that his house had not received water for a week now. Staff explained that due to the rolling terrain, he needed to pump water over two hours continuously to reach his neighborhood and the power outages had not allowed him to do so.

55. The TMA functionaries said that they had attempted to get billing outsourced but no private sector party was willing to take the job as 4,000 connections were not a viable number. They did not mention any other PSP initiatives. They also reported that some of their technical staff has been shifted back to PHE and now they had lesser technical capacity for implementation and service delivery.

Khairpur

56. TMA Khairpur has lost most of its technical staff to PHE. They were implementing a number of small schemes from the district Annual Development Plan and these seemed to be a larger part of the activities than their own development projects. There is an acute shortage of drinking water in Khairpur. The groundwater is not potable and arsenic is reported in several areas. Drinking water can be drawn from the irrigation canal or tubewells dug next to them. There were 6,000 legal connections in the city and the recovery rate is between 20-30% at nominal rate of Rs 20/month. A visit to one of the pumping stations next to the canal showed queues of people lining up for drinking water for self-consumption or resale. The going rate for tubewell water was Rs 5 per 4 gallon canister. This amounts to between Rs. 750 to 1000 per household per month for drinking water alone.



57. The only form of treatment for drinking water is a settlement pond, which helps reduce turbidity of the canal water. However, the water from the wells and the canal is pumped through the same pipelines rendering the better quality water unfit for human consumption. See the picture below where the bluish well water is being mixed with the canal water.

58. Another site for water supply scheme was pumping water straight from the canal alternating it with tubewell water. There was a sedimentation pond next to it but it was overgrown with grass and not in use. A new scheme next door has been under construction for several years. This scheme if completed as constructed will pump canal water into pipes as any form of treatment was not visible.



59. The Tehsil Nazim said that all PHE investments were a waste and doubted that the scheme would ever be functional. He also complained about over design and the higher running cost for the schemes. He opined that all money spent through PHE is a waste and the TMA will not be able to take over half completed, substandard infrastructure. He thought the TMA could hire professional private sector firms for their schemes and produce much better results.

Larkana

60. Larkana lies in the sweet water zone and water infiltration from the canal systems recharges the groundwater. Therefore, the TMA does not provide much water and has only one connection for the fire station. Mining for water has deepened the water levels from 60 down to over 110 feet but the TMA did not see it as a big problem as there was a 12,000 cusec rice canal running by the town.

61. Their main problem was sanitation for which a large vertically funded program (70% province and 30% district) was already working. This is based on deep covered drains, which mix rainwater etc with sewage. There is an older sewage system from 1972 in the city, however, it has overrun its capacity after fourfold increase in population to 600, 000. The TMA thought that pumping in that system was costly. Solid waste was another priority and they wished to buy a landfill site.

62. For cost recovery the Nazim said they needed the help of the province and have it charged like the property and sales tax (which is federal). Some PHE staff had gone back to the department; the Nazim said that he would rather have qualified consultants from the market when he needed them.

Shikarpur

63. Shikarpur once again had sweet water and did not provide drinking water, although arsenic has been reported in the area. There was another deep drainage cum shallow sewage scheme under construction. It was started by the previous Nazim and then taken over by PHE after its reconstitution to execute large projects. The Nazim said that he thought most PHE schemes were non-functional, however, he did not object to the current scheme, as it was required. Staff said that new scheme was based on assumption of charging Rs 125 per household for its O&M.

64. The TMA had not levied any user charges of fees except a tax on donkeys in the city. Staff said that Wapda was not installing meters on their pumping stations and was charging exorbitant amount in a self imposed flat rate. They were trying to resolve the issue but it has been big source of revenue expenditure for the past couple of years.

ANNEX 1

STAFF LEVEL DETAILS FOR BASIC SERVICES

	Professional	Para-profes	Skilled	Semi/Unskilled	Total
<u>Water</u>	BPS 17 +	BPS 11 - 16	BPS 6- 10	BPS 1- 5	
Sukkur	2 part time	2	1	102	105
New Sukkur	1 part time	1 part time	2 part time	0	included in above
Rohri	1	1	0	26	28
Khairpur	1 part time	3 part time + 1	3	53	57
Larkana	1 part time	2 part time	0	6	6
Shikarpur	1 part time	2 part time	0	3	5
<u>Solid Waste</u>	Professional	Para-profes	Skilled	Semi/Unskilled	Total
Sukkur	2 part time	0	5	339 (+100)	354 (+100)
New Sukkur	0	1 part time	2 part time	66	66
Rohri	1		0	163	114 (+60)
Khairpur	0	3 part time	1	363	364
Larkana	0	1	10	466	479
Shikarpur	0	0	1	183	184
<u>Drainage/Sewage</u>	Professional	Para-profes	Skilled	Semi/Unskilled	Total
Sukkur	2 part time	0	0	28	28
New Sukkur	1 part time	1 part time	2 part time	14	14
Rohri	1 part time	1 part time	0	5	5
Khairpur	1 part time	3 part time	1	49	50
Larkana	1 part time	1 part time	1	57	58
Shikarpur	0	2 part time	0	42	42