



## Progress Report on Tranche Release

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Program Number: 32264  
Loan Number: 2144/2145  
May 2009

### Pakistan: Punjab Devolved Social Services Program Release of the Third Tranche

Asian Development Bank

## CURRENCY EQUIVALENTS

(as of 20 March 2009)

Currency Unit	–	Pakistan rupee/s (PRe/PRs)
PRe1.00	=	\$0.012
\$1.00	=	PRs80.52

## ABBREVIATIONS

ADB	–	Asian Development Bank
DFID	–	Department for International Development (United Kingdom)
GDP	–	gross domestic product
MDG	–	Millennium Development Goal
MSDS	–	minimum service delivery standards
MTDF	–	Medium Term Development Framework
PLGO	–	Punjab Local Government Ordinance
PPP	–	public-private partnership
PSC	–	program steering committee
PSU	–	program support unit
TA	–	technical assistance
TMA	–	<i>tehsil</i> (town) municipal administration
WSS	–	water supply and sanitation

## NOTES

- (i) The fiscal year (FY) of the Government ends on 30 June. “FY” before a calendar year denotes the year in which the fiscal year ends, e.g., FY2009 ends on 30 June 2009.
- (ii) In this report, “\$” refers to US dollars.

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## I. INTRODUCTION

1. Pakistan introduced major devolution reforms in 2001. A key objective was improved delivery of social services. Poor social service delivery and the resultant lack of adequate human development have been major causes of poverty. Cross-country analyses<sup>1</sup> have consistently pointed out that Pakistan's social indicators lag behind those of countries with similar income. Devolution would significantly improve service delivery by bringing service providers and governments closer to the citizens than they were under a centralized system.

2. Responding to devolution across the country, the government of Punjab (the government) issued the Punjab Local Government Ordinance (PLGO) on 14 August 2001. As in other provinces, devolution resulted in the creation of a three-tiered local government structure consisting of district governments, *tehsil* (town) municipal administrations (TMAs), and union administrations, each with its own *nazim* (mayor) and *naib nazim* (deputy mayor), elected council, and administrative structure. After devolution, the government transferred many social service delivery functions to the local governments. The district governments have been made responsible for delivering health and education services, and the TMAs, for providing municipal services, such as water supply, sanitation, street lighting, and local recreational facilities.

3. The loans for the Punjab Devolved Social Services Program (the Program) were designed within this broad context. The Program comprises loans of \$75 million from the ordinary capital resources of the Asian Development Bank (ADB) (Loan 2144-PAK) and \$75 million equivalent from its Special Funds resources (Asian Development Fund, Loan 2145-PAK).<sup>2</sup> In addition to these ADB loans, the Government of the United Kingdom, through the Department for International Development (DFID), provided an assistance grant to be administered by ADB, consisting of \$30 million equivalent (4505-PAK) and an associated technical assistance (TA) grant of \$20 million equivalent (TA 4504-PAK). The Program was approved on 20 December 2004 and the Loan Agreement was signed on 10 January 2005. The first tranche of \$80 million equivalent was released on 26 December 2005, and the second tranche of \$55 million equivalent, on 9 November 2007. The third tranche of about \$45 million equivalent, consisting of \$25 million under Loan 2145-PAK, \$15 million under Loan 2144-PAK, and DFID cofinancing of \$5 million, is now due for release.<sup>3</sup>

4. The Program is a multisector and multidimensional effort to reform governance and improve public service delivery. It seeks to assist the government in achieving the Millennium Development Goals (MDGs) for poverty reduction, gender equality, and improved education, health, and water supply and sanitation (WSS). To achieve these objectives devolved social services will be strengthened and their delivery made more equitable, efficient, effective, and sustainable in line with the PLGO. The Program is to be implemented over 3 years, and the TA (TA 4504-PAK) over 4 years, starting from the release date of the first tranche.

5. This report presents the status of compliance with the program conditions for the release of the third tranche. Progress has been monitored through joint missions of ADB and DFID, and through regular coordination and communication between the government and ADB.<sup>4</sup> The

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<sup>1</sup> ADB. 2003. *The Pakistan Poverty Reduction Strategy Paper*. Manila.

<sup>2</sup> ADB. 2004. *Report and Recommendation of the President to the Board of Directors on Proposed Program Loans and Technical Assistance Grant to the Punjab Devolved Social Services Program*. Manila.

<sup>3</sup> The DFID funds will be released with the third tranche of the ADB loans against the same policy conditions.

<sup>4</sup> Two review missions, in May and October 2008, have been fielded since the release of the second tranche.

achievements thus far adequately justify the release of the third tranche of \$45 million.<sup>5</sup> A detailed description of compliance with the relevant policy conditions is presented below and in a matrix in Appendix 1.

## II. RECENT MACROECONOMIC PERFORMANCE AND SOCIAL SECTOR DEVELOPMENTS

6. **National.** Fiscal year (FY) 2008 saw a reversal of the sustained growth that had characterized the Pakistan economy since the early 2000s. For the first time since FY2003, real gross domestic product (GDP) grew by less than 6%, because of domestic and international developments. Domestic supply shocks and rising international food and fuel prices pushed inflation above 25%. After 2 years of modest increase, the fiscal deficit–GDP ratio rose to 7.4% in FY2008, breaching the threshold of 4% of GDP set by the Fiscal Responsibility Act, 2005. Higher global food and fuel prices affected the budget by raising the subsidies for oil, wheat, electricity, and fertilizers. Government borrowing from the central bank, a main source of deficit financing,<sup>5</sup> almost doubled in FY2008 with a weakening in the external account. Higher prices and strong aggregate demand drove up imports, even as exports, especially textiles, slowed down, causing the current-account deficit (about 8%) to miss the target (5%). The capital-account surplus also narrowed as foreign direct investments and portfolio investments declined. On the other hand, the 17.4% growth in remittances was not adequate to compensate for the decline in other components of the capital account.

7. A sharp deterioration in Pakistan's current-account and fiscal balances in 2008 amid escalating inflation led to a rapid depletion of foreign-exchange reserves that triggered a balance-of-payments crisis. The immediate threat to the country's economic stability and its ability to service its international debt obligations died down after the International Monetary Fund (IMF) approved a stabilization program in November 2008. The IMF-supported program is proceeding satisfactorily; the first program review was completed in March 2009, with Pakistan receiving \$847 million from the standby arrangement.

8. **Provincial.** Punjab contributes more than 50% of Pakistan's GDP and is home to 56% of its total population. Punjab's GDP grew by about 7.8% in FY2007. Pakistan's economic slowdown is likely to affect Punjab's economy as well. Although reliable projections of GDP growth are not available,<sup>6</sup> revised budget figures for FY2008 and budget estimates for FY2009 show the effects of the economic slowdown on the provincial economy—a widening budget deficit caused mostly by shrinking revenue receipts.<sup>7</sup> General revenue receipts have decreased by 11% because of lower tax (–18%) and non-tax (–30%) revenues and lower federal transfers (–3%) and grants (–34%) in FY2008. Total expenditures have been lower than budgeted (–8%), mainly because of lower development spending (–13%). The provincial budget for FY2009 contains a subsidy package of PRs13 billion in the form of cash transfers to the poorest to compensate for higher food prices and to keep health services affordable. Higher transfers from the federal Government will mitigate the impact on Punjab's budget deficit.

<sup>5</sup> (i) ¥1,599,150,000 under ADB Loan 2144-PAK (ordinary capital resources); (ii) SDR16,589,999.99 under ADB Loan 2145-PAK (Special Funds resources); and (iii) \$5,000,000 under a DFID grant.

<sup>6</sup> Growth-rate estimates were not produced for FY2008. Those for FY2007 are taken from Punjab Economic Research Institute, Government of Punjab. 2007. *Punjab Economic Report 2007*. Lahore.

<sup>7</sup> The fiscal deficit in FY2008, according to budget estimates, was about PRs37.315 billion. Revised estimates released in March 2008 pointed to a larger deficit of about PRs46.5 billion.

9. **Health Sector.** Despite fiscal constraints, the government has preserved health sector spending from drastic cuts. Although starting from a low base, per capita health spending by the public sector has increased in recent years—from \$2.4 in FY2005 to \$4.4 in FY2007, \$5.8 in FY2008 (revised estimate), and \$6.4 in FY2009 (budget estimate). Yet, for many, adequate health services are still out of reach. The government has sought ADB's support in providing better and more accessible social services by improving the management of service delivery and public resources. Building on the Punjab Devolved Social Services Program, ADB's recently approved Punjab Millennium Development Goals Program supports health sector and public financial management reforms with the goal of improving the overall efficiency of the public sector and the quality of health services.

10. **Education Sector.** The Punjab education sector is marred by regional, rural-urban, and gender disparities. Literacy is higher in the northern parts of the province than in the south, and in urban areas than in the countryside, and females are at a disadvantage versus males. The proportion of the population that has attended school is higher among higher-income groups, and the gender difference is less. Government reforms in the sector (such as the Punjab Education Sector Reform Program) have increased the number of schools and improved basic facilities. But nearly 9.57 million children of school-going age are out of school<sup>8</sup> and the dropout rate remains high. To address these issues, the government has spent progressively more on education as a percentage of Punjab's GDP since FY2004. The sector was allocated PRs21.5 billion in 2007–2008, up from PRs12.5 billion in 2006–2007.<sup>9</sup> Government spending on primary education in particular has undergone a sharp and substantial increase.

11. **Water Supply and Sanitation.** According to government statistics, in Punjab 50.1% of the population is served by piped water supply systems and 53.9% is covered by a sewerage system.<sup>10</sup> Hand pumps are the single-largest source of clean drinking water (42%), followed by donkey pumps or turbines (29%) and piped water (21%)<sup>11</sup>. The provincial vision for the WSS sector involves providing safe drinking water to improve people's lives. An outlay of PRs8 billion has been made for about a thousand new WSS schemes in 2008–2009, and additional amounts have been allocated to rehabilitation. Funds have also been set aside in the Medium Term Development Framework (MTDF) for a community-based sanitation program particularly for rural areas and small towns. Further details of developments in the social sectors can be found in Appendix 2.

12. **Special Education.** The special education sector has recently become a priority for Punjab. The special education development program will provide opportunities to special children of school-going age to maximize enrollment by 2015. The objective is to make such children economically independent and useful members of society through skills training. Special children enrolled in public sector institutions increased from about 9,500 in 2005–2006 to around 15,000 in 2006–2007—below the target of 20,500 set by the Punjab department of education in the MTDF.

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<sup>8</sup> Planning and Development Department, Government of Punjab. 2004. *District-Based Multiple Indicator Cluster Survey Punjab 2003–2004*. Lahore.

<sup>9</sup> Planning and Development Department, Government of Punjab. 2008. *White Paper on the Budget 2007–2008*. Lahore.

<sup>10</sup> Planning and Development Department, Government of Punjab. 2006. *Punjab Development Statistics 2005*. Lahore.

<sup>11</sup> Planning and Development Department, Government of Punjab. 2008. *Punjab Medium Term Development Framework 2008–2011*. Lahore. (See section on Water Supply and Sanitation.)

### III. IMPLEMENTATION OF THE PROGRAM LOANS

#### A. Status of Compliance with Third-Tranche and Deferred Second-Tranche Conditions

13. Table 1 summarizes the status of compliance with all the third-tranche conditions and the two second-tranche conditions that were deferred.

**Table 1: Summary of Status of Compliance with Tranche Conditions**

Condition	Status of Compliance
<b>1. Outcome 1: Realign Intergovernmental Relations to Support Devolved Social Services</b>	
(a) The provincial cabinet shall have approved the 5-year strategic plans developed by the provincial line departments.	Fully complied with
(b) At least 75% of the district governments and 50% of the program <i>tehsil</i> (town) municipal administrations (TMAs) shall have developed their 3-year sector rolling plans consistent with the 5-year strategic plans and the respective local government councils shall have approved such rolling plans.	Fully complied with
(c) Punjab shall have approved the time-bound action plan and provincial line departments, Services and General Administration Department, and Department of Finance shall have implemented such action plan.	Fully complied with
(d) 100% of the sub-divisional officers and 50% of executive engineers shall have been appointed in each program TMA to exercise technical sanctioning powers.	Fully complied with
(e) Unless the 3-year provincial finance commission award shall have been approved and announced, the commission shall have approved and announced the interim annual commission award and shall have continued with the conditional grant system for devolved social services.	Fully complied with
(f) Punjab shall have entered into memorand[ums] of understanding, in form and substance acceptable to ADB, with district governments and the program TMAs to access program funds, on the terms and conditions set out in the memorand[ums] of understanding.	Fully complied with
<b>2. Outcome 2: Rationalize and Set Minimum Standards for Social Services</b>	
(a) [The] housing and urban development department, provincial health and engineering department, department of health, district governments, and the program TMAs shall have commenced implementation of the technical and service standards.	Fully complied with
(b) District governments and the program TMAs shall have filled half of the remaining 50% of the essential vacant positions in accordance with the guidelines notified by the local government and rural development department, and the local government commission shall have reported on the transparency of the recruitment process.	Fully complied with
<b>3. Outcome 3: Strengthen Public Accountability Mechanisms and Promote Public-Private Partnership</b>	
(a) Provincial line departments, district governments, and program TMAs shall have implemented the monitoring strategies.	Fully complied with
(b) Punjab shall have continued to implement its behavior change communication campaign.	Fully complied with

Condition	Status of Compliance
(c) [The] local government commission shall have carried out a survey and confirmed the effective functioning of the local government monitoring committees. <b>Deferred Second-Tranche Condition</b>	Partially complied with
(c) Local government councils shall have approved and the local government monitoring committees shall have observed the bylaws.	Substantially complied with
(d) Provincial line departments, district governments, and the program TMAs shall have implemented the policy on public-private partnerships. <b>Deferred Second-Tranche Condition</b>	Fully complied with
(d) The provincial cabinet shall have approved and Punjab shall have announced the policy on public-private partnerships.	Fully complied with

## B. Assessment of Compliance with Third-Tranche Conditions

### **Outcome 1: *Realign Intergovernmental Relations to Support Devolved Social Services***

**Action 1(a):** *The provincial cabinet shall have approved the 5-year strategic plans developed by the provincial line departments.*

**Status:** *Fully complied with*

14. Punjab became the first province in Pakistan to develop and adopt a comprehensive MTDf. At the time the second tranche was released, ADB agreed that the 5-year strategic plans to be developed under the Program should be part of the more-comprehensive 3-year MTDf. The MTDf is a major fiscal development milestone whose aim is to improve efficiency and predictability in resource allocation, and to promote fiscal discipline. Its drafting followed the guidelines for 5-year strategic plans issued by the Planning and Development Department. The strategic plans it contains were prepared after extensive consultations with all sectors covered by the Program.

15. The MTDf 2008–2011 was approved by the provincial cabinet on 16 June 2008, as a framework for medium-term strategic planning for Punjab. It covers the social, infrastructure development, and production sectors. The Program supported the government in developing this document, with 13 sector write-ups as inputs.

**Action 1(b):** *At least 75% of the district governments and 50% of the program TMAs shall have developed their 3-year sector rolling plans consistent with the 5-year strategic plans and the respective local government councils shall have approved such rolling plans.*

**Status:** *Fully complied with*

16. The delivery of health, education, and special education services has been devolved to the district governments, while WSS has been devolved to the TMAs. The government prepared 3-year rolling plans for education (12 districts), special education (8 districts), health (35 districts), and WSS (34 program TMAs). The 12 districts that were the focus of the rolling plans for education were Punjab's most deprived. At the time of program design, gross enrollment rates in these districts were much lower, with serious gender imbalances. Special education facilities were concentrated in the eight districts for which rolling plans for special education were prepared. The program accomplishments exceeded the plan preparation and approval

targets set for the sectors (Table 2). Some local councils did not approve the plans because the provincial government had curtailed some powers of the *nazims*. After the recent political changes, however, the President of Pakistan has indicated that these powers will be restored, and that the term of the local governments is likely to be extended for 6 months. These changes indicate a more favorable environment for the local councils.

**Table 2: Status of Development and Approval of 3-Year Rolling Plans by Local Governments**

<b>Sector (Number of Local Governments Covered)</b>	<b>Number of Local Governments that Completed the Plans</b>	<b>Number of Local Governments that Approved the Plans</b>	<b>Number of Approvals Required for the Third Tranche</b>
Health (35 districts)	31 (88.6%)	29 (83.0%)	26
Education (12 districts)	10 (75.0%)	9 (75.0%)	9
Special Education (8 districts)	8 (100.0%)	7 (87.5%)	6
WSS (34 program TMAs)	34 (100.0%)	24 (70.06%)	17

TMA = *tehsil* (town) municipal administration, WSS = water supply and sanitation.

Source: Program Support Unit of the Punjab Devolved Social Services Program, Lahore.

17. Two key steps preceded the preparation of the 3-year rolling plans. First, guidelines were prepared in May 2008. Second, training workshops in health, education, and special education were held for local government managers in July 2008. Training workshops in WSS were also held for *tehsil* municipal officers. Yet, despite the extensive preparatory training, plan preparation still required mentoring because civil servants were frequently transferred. The drafts prepared by the local governments underwent quality-assurance review by the program support unit (PSU) before they were approved by the local government councils.

18. To effectively link the provincial MTFD with sector planning in the local governments, the Program emphasized the need for consistency in planning cycle (3 years for both) and sector focus. Consistency in sector focus is evident from a brief comparison of the health and WSS components of the MTFD and the rolling plans:

- (i) **Health.** For the health sector the MTFD looks forward to “a healthy population with a sound health care system practicing healthy lifestyles, in partnership with [the] private sector, including civil society, which is effective, efficient and responsive to [the] health needs of low socioeconomic groups especially women in the reproductive age.” Specifically, the vision is centered on maternal and child health and the engagement of the private sector and civil society in sector development. The MTFD is also concerned with providing the needed resources for facilities that the basic health units and the rural health centers lack.

The 3-year rolling plan deals with maternal and child health reforms, and PPPs. The plan for Rawalpindi district, for example, includes proposed schemes for the purchase of equipment for maternal and child health care and for increased pro-poor provision of medicines over the next 3 years. The district plan also envisages greater support for rural health facilities.

- (ii) **WSS.** The MTFDF proposes to construct 993 WSS schemes in FY2009, provide wastewater treatment facilities, establish water-testing laboratories, and allocate more funds to low-performing districts.

The Program's 3-year rolling plans have a similar focus, and advocate an increase in WSS facilities in low-performing TMAs. New sanitation schemes have been launched. The TMA Nowshera Virkan in Gujranwala district, for example, has shown a strong commitment to achieving the MDGs.

**Action 1(c):** *Punjab shall have approved the time-bound action plan and provincial line departments, Services and General Administration Department, and the Department of Finance shall have implemented such an action plan.*

**Status:** *Fully complied with*

19. The government identified gaps in devolved financial and administrative powers, and impediments to the exercise of those powers, to determine whether further decentralization was needed to improve the delivery of decentralized services. The Government set up two working groups—one for devolved administrative powers, and a second group for devolved financial powers. All provincial line departments, local governments, civil society, and related donor programs were represented in the working groups, which were overseen by the secretary of the local government and community development department of Punjab. Consulting assistance to the working groups and the local government and community development secretary were provided under the DFID-financed TA.

20. The working groups identified over 90 gaps in devolved administrative and financial powers and drafted a time-bound action plan for the full devolution of these powers. Stakeholders were extensively consulted. The original action plan was reviewed and streamlined by the provincial line departments concerned. Some actions were determined to have been already implemented, others were outside the scope of the Program, and still others were no longer applicable within the current local government structure. The revised action plan, which identified 43 gaps in devolution, was approved by the secretary of the local government and community development department in fulfillment of the tranche condition.

21. Gaps or impediments in the exercise of financial powers were related to the purchase of goods and equipment, the advance withdrawal of funds, and reappropriation of funds. On the administrative side, issues included the posting and transfer, capacity development, and performance assessment of local government staff, as well as gaps related to local government rules of business, overlaps in local government functionary roles, and the auction of local levy collection. The identified impediments have since been removed; in each case documentation was provided to support the policy action.

**Action 1(d):** *100% of sub-divisional officers and 50% of executive engineers shall have been appointed in each program TMA to exercise technical sanctioning powers.*

**Status:** *Fully complied with*

22. The 2001 PLGO created three independent tiers of local administration: district governments, TMAs, and union administrations. The district governments are largely responsible for health and education services, and the TMAs for municipal services. An essential step toward empowering the TMAs was to increase their financial autonomy, and this

objective was achieved in April 2007, before the release of the second tranche. The Punjab government increased the technical sanctioning powers of the TMAs from PRs0.5 million to PRs1.0 million.<sup>12</sup>

23. The head of TMA administration is the town municipal officer, who supervises three town officers, one each for planning, infrastructure and services, and municipal regulations and finance. Depending on the size of the TMA, the town officer for infrastructure and services is either an executive engineer of basic scale 18 grade or a sub-divisional officer of basic scale 17 grade. In Punjab, there are 7 TMAs under the first category and 24 TMAs under the second. The Punjab government more than met the tranche condition by appointing executive engineers to all district headquarters TMAs and sub-divisional officers to all other eligible TMAs. Details of these appointments are given in Appendix 3 (Table A.2).

**Action 1(e):** *Unless the 3-year provincial finance commission award shall have been approved and announced, the provincial finance commission shall have approved and announced the interim annual commission award and shall have continued with the conditional grant system for devolved social services.*

**Status:** *Fully complied with*

24. The Program's conditional grants are channeled to local governments through the provincial finance commission. They are distributed to health (65%), education (17%), and WSS (18%) according to needs, the priorities of the Punjab government, and availability of funds. In the education sector, education receives 70% of the funds, while special education receives 30%. Total funds are allocated at a ratio of 82:18 between the district governments and the TMAs. A more focused approach is taken in the education and special education sectors to avoid spreading scarce resources too thinly, as education receives only a small share of the Program's conditional grants. With help from the PSU, the use of the grants by the districts has accelerated.

25. A 3-year award for FY2006–FY2009 approved by the provincial finance commission included conditional grants for the health and WSS sectors. The conditional grants for the education and special education sectors were approved by the commission in a special meeting on 31 March 2007.

**Action 1(f):** *Punjab shall have entered into memorandums of understanding, in form and substance acceptable to ADB, with district governments and program TMAs, on access to program funds and the terms and conditions.*

**Status:** *Fully complied with*

26. The terms and conditions for the use of the conditional grants are set forth in a memorandum of understanding signed between the provincial and local governments and the program TMAs. The conditions include both program-specific policy requirements and more general conditions. A major condition that relates to the program policy matrix is the preparation of annual sector plans by local governments and their approval by the local government councils. The annual sector plans must conform to guidelines covering, among others, situation analysis, sector priorities, and the list of priority services, schemes, and projects. Generally, the

<sup>12</sup> The notification to this effect was issued on 28 March 2007 after a meeting presided over by the chairman of the planning and development department.

grants must be used to (i) improve social sector and development financing; (ii) support programs that improve social service delivery; and (iii) formulate long-term strategies for reducing poverty and gender inequities through better governance and financing, rationalized services, PPP, community participation, and public accountability. In particular, local governments must demonstrate their commitment to gender mainstreaming by (i) giving priority to gender issues and needs in sector plans, and (ii) involving women in decision making by including at least two women councilors on committees for district development, budget and accounts, and sector monitoring.

**Outcome 2: Rationalize and Set Minimum Standards for Social Services**

**Action 2(a):** *[The] housing and urban development department, provincial health and engineering department, department of health, district governments, and program TMAs shall have commenced implementation of the technical and service standards.*

**Status:** *Fully complied with*

27. The minimum service delivery standards (MSDS) for health were notified on 31 December 2007, after their approval by the chief minister. This new paradigm of service delivery was first disclosed by the government at the Punjab Development Forum 2007. The government considers the implementation of MSDS for health to be immensely challenging, requiring substantial commitment from the provincial and local governments. The implementation of the MSDS for health requires a large allocation of funds to achieve effective, sustainable, and real change toward improved health service delivery.

28. Implementation guidelines and a list of dos and don'ts for the use of funds have been developed under the Program and shared extensively throughout the Punjab to facilitate MSDS implementation. Additionally, in collaboration with the federally coordinated Maternal and New Born Child Care Program, the PSU conducted workshops in MSDS implementation for senior health system officials in August 2008. The workshops also covered the types of reforms that are to be expected in the short to medium term. As MSDS implementation requires the strong commitment of local governments, memorandums of understanding have been signed under the Program between the department of health and all district governments, committing the district governments to implement the MSDS by the end of 2012. The department of health has requested the department of finance to create additional posts to meet MSDS requirements.

29. The implementation of MSDS in WSS was slow at the start, but has picked up pace. The standards were issued in October 2008, although initial steps in implementation were taken before that. Implementation guidelines in Urdu were widely disseminated to the program TMAs. Memorandums signed by the program TMAs with the provincial government to gain access to the program conditional grants also required the program TMAs to use the funding to implement the MSDS. A list of allowed and disallowed expenditures has also been developed to ensure that the conditional grants are wisely spent for the implementation of the MSDS. As was done for health, MSDS workshops were conducted for WSS officials.

30. The Program required the adoption of MSDS only for health and for WSS, ensuring the implementation of MSDS in at least one sector at the district level and one at the TMA level. The health sector was chosen over the education and special education sectors because a larger portion of the program funds are allocated to the health sector. The Punjab government has developed MSDS for the education sector in parallel.

**Action 2(b):** District governments and the program TMAs shall have filled half of the remaining 50% of essential vacant positions in accordance with the guidelines notified by the local government and rural development department and the local government commission shall have reported on the transparency of the recruitment process.

**Status:** Fully complied with

31. The Punjab government has issued two sets of guidelines for recruitment: the Recruitment Policy (2004) and the Contract Appointment Policy (2004). Government recruitment since 2004 has been carried out under these two policies. Table 3 below presents information on the filling of essential vacant positions in the four social sectors. For the release of the second tranche, 50% of the essential vacant positions had to be filled by the local governments under the relevant policies. For the third tranche, 50% of the remaining vacant positions were to be filled in a transparent manner. Therefore, 75% of the vacant positions should have been filled. Data collected by the PSU indicate that more than 75% of the positions in all four social sectors have been filled. The Recruitment Policy, issued by the services and general administration department, incorporates mechanisms and criteria for ensuring transparency in hiring, which were followed in filling the vacant positions.

**Table 3: Filling of Essential Vacant Positions**

Department	Total Positions (no.)	Filled Positions as of 30 October 2008	Vacant Positions	% Filled
Health	17,802	13,968	3,834	78.5
Education	361,007	304,286	56,721	84.3
WSS	184	166	18	90.2
Special Education	1,413	1,096	317	77.6

WSS= Water supply and sanitation.

Source: Government of Punjab.

**Outcome 3: Strengthen Public Accountability Mechanisms and Promote Public-Private Partnership**

**Action 3(a):** Provincial line departments, district governments, and program tehsil municipal administrations shall have implemented monitoring strategies.

**Status:** Fully complied with

32. The Punjab government's commitment to achieving the MDGs has also contributed to an increased attention to monitoring performance in the social sectors. The Punjab MTFD links development planning with progress indicators. It envisages major increases in social sector expenditures, and extensive use of information technology for monitoring. A number of project management units, mainly for monitoring and evaluation, have been set up and housed outside the provincial line departments.

33. Under the Program, the government has developed a social sector monitoring strategy along with the costs involved. The strategy describes in detail the different monitoring practices being adopted at various levels of government. It also includes a snapshot of reporting mechanisms in different sectors, with clear tasks, reporting timelines, and primary responsibility at the provincial level.

34. The provincial departments of health, education, special education, housing and urban development and public health engineering have begun implementing the monitoring strategies in their respective sectors. The strategies have also been implemented in the local governments. Encouraging results are reported in all sectors.

35. **Education Sector.** The education department has a new system of monitoring and evaluation. An office of the district monitoring officer was created in every district to monitor the education sector. To strengthen independent field inspections, monitoring and evaluation assistants were recruited for regular field inspections and data verification. Their strength was increased from 129 in 2005 to 929 in 2006 to ensure that each of the 63,000 schools in the province is regularly visited. These initiatives have had an impact on school attendance and enrollment in the province. Over 2 million more children are in school because of these investments and the related management and monitoring arrangements. The enrollment rate among females in middle school increased from 43% in 2003 to 53% in 2005, and the share of female enrollment in government primary and middle schools increased from 45% to 50%. The sector monitoring strategy developed by the Program is being implemented effectively in the sector.

36. **Special Education.** The MTFD for Punjab envisions the creation of an environment where disabled persons become useful members of society and their skills and potential are used in all spheres of life. Devolution in special education presents monitoring challenges different from those in other sectors. Special education does not have its own chain of supervisors linking up with an executive district officer for community development. In 2004 the government began sending provincial officers on inspection tours in the districts. The district monitoring officers were also asked to inspect schools, but these preannounced trips were not conducive to the proper monitoring development activities. Starting in 2007, therefore, the monitoring and evaluation assistants in a special program of the Punjab government were asked to monitor the activities until the department of special education could develop its own internal monitoring systems. The assistants visited special schools and reported on administrative indicators. The monthly data and inspection status reports have helped in the preparation of regular and quality monitoring reports on the sector. The monitoring strategy developed for special education under the Program is being implemented in the sector.

37. **Health Sector.** Punjab has the most health facilities in Pakistan, with 5,000 health facilities, including 196 hospitals, 1,409 dispensaries, 294 rural health centers, 2,427 basic health units, 48 tuberculosis centers, 570 subhealth centers, and 475 mother and child health centers. Under the Health Sector Reform Program, the Punjab government's own flagship program, two types of monitoring and evaluation are being carried out. Internal monitoring covers clinical indicators. For external monitoring, the monitoring and evaluation assistants randomly inspect every basic health unit and rural health center once a month. This is the first time that external monitors have been used to report on the day-to-day administration of primary health care establishments. Most recently, the monitoring assistants, through the district monitoring officers, have been made responsible for monitoring *tehsil* headquarters and district headquarters hospitals according to a prescribed format.

38. **Water Supply and Sanitation.** The provincial health and engineering department has a well-designed strategy focused on: (i) sufficient investment in WSS to achieve the MDGs and provide a healthy environment for the people of Punjab; (ii) systematic improvements in the WSS system through the rationalization of user charges and improved metering mechanisms; (iii) proper management of groundwater resources and their conservation at the provincial level; and (iv) establishment of a water testing laboratory at the district level, a management

information system, and information technology services for data collection, quality control, and future planning. A management information system cell in the department is in charge of the monitoring strategy.

**Action 3(b):** *Punjab shall have continued to implement its behavior change communication campaign.*

**Status:** *Fully complied with*

39. The behavior change communication campaigns are being implemented in all social sector departments. A campaign report documenting progress in the sectors and highlighting needed improvements has been prepared. To augment the existing campaigns, the provincial government had developed two documentaries on mother-child health and WSS issues. The documentaries have been broadcast on television and electronic media, and there are plans to air them on cable networks across the province.

**Action 3(c):** *The local government commission shall have carried out a survey and confirmed the effective functioning of the local government monitoring committees.*

**Status:** *Partially complied with*

40. As outlined in para. 44, a majority of local governments have established monitoring committees. Further, as noted under action 3(b), the Punjab government has put in place an effective and well-functioning monitoring system in each sector. At the department level, there are established institutional arrangements with clear reporting mechanisms. At the time the Program was designed, it was felt that local governments also needed to be empowered to monitor development activities. For this purpose, all local governments were required to set up monitoring committees; this requirement has been complied with. The local government department and the local government commission have surveyed the local governments, using questionnaires and interviews to assess progress. Monitoring has been undertaken in the majority of local governments, some much more detailed and progressive than others. Certain districts, such as Bahawalpur, Gujarat, Gujranwala, Kasur, Narowal, Pakpattan, and TMAs Chiniot, Kallar Kahar, Shorkot, and Vehari have been extremely active in convening meetings, and in issuing and implementing recommendations. Other monitoring committees, in contrast, meet only once a year.

41. The functioning of other local government monitoring committees has generally been mixed, primarily owing to capacity and leadership issues. TA support under the Program is now supporting a revival of monitoring functions at the local government level. The TA will identify the type of training required by committee members and local government councils. Monitoring committees are an important, but not the only, mechanism for monitoring service delivery. Besides the sector monitoring arrangements, the local government and community development department has prepared an exhaustive checklist for monitoring various aspects at the TMA level, including municipal administration, budget and finance, execution of annual development programs, planning and coordination, and solid waste management. The checklist has been issued to divisional commissioners and provincial secretaries, who are required to undertake regular field visits to the local governments. Social sector line departments have also developed monitoring checklists for inspections and facility visits. The checklist for health covers, for example: the general appearance of the hospital, building and utilities, hospital waste management, general cleanliness, equipment, medicines, feedback from patients, staff, operation theaters, emergency blood bank, and emergency laboratory.

**Action 3(d):** *Provincial line departments, district governments, and the program tehsil municipal administrations shall have implemented the policy on public-private partnerships*

**Status:** *Fully complied with*

42. The PPP Strategy (see para. 16 above) has been widely circulated across the province; some parts have been translated into Urdu. Workshops in PPP in the water supply and sanitation sector have been held for the TMAs. Seven PPP models have been developed in all four program sectors to start implementation. These models have been shared with district government representatives in roundtable meetings, attended as well by potential private partners. The PSU has thus far managed the signing of 22 memorandums of understanding in the health sector, 5 in the education and special education sectors, and 5 in the WSS sector. The PPP projects are listed in Appendix 4. The PSU has also compiled information on potential private sector participants (including nonprofit organizations) with local government officials at all levels so that they can directly assess the role of the private or nonprofit sector.

### **C. Assessment of Compliance with Deferred Second-Tranche Conditions**

43. The assessment of compliance with two policy actions under outcome 3 for the second tranche was deferred to the review of the third-tranche conditions. This section presents an update on compliance with those deferred conditions.

44. **Condition 3(c): Local government councils shall have approved and the local government monitoring committees shall have observed the bylaws. Substantially complied with.** The 2001 PLGO created the legal framework for the participation of local councils in the monitoring of social services. In the first year of the Program, bylaws were developed to guide the formation and operation of monitoring committees. This was an important step toward wider public representation in guiding social service delivery. All program districts and TMAs have now approved the bylaws, and 71% of the districts and 64% of the TMAs have formed monitoring committees, for the greater part under the bylaws. But observance of the bylaws is still weak in some respects, such as the submission of monitoring reports. Given the full approval of the bylaws and the formation of monitoring committees in a majority of districts in observance of the bylaws, this condition is considered substantially complied with. As the new government is committed to the local government system, further progress is expected in this area. ADB will continue to be engaged in policy reform and in TA support for Punjab.

45. **Condition 3(d): The provincial cabinet shall have approved and Punjab shall have announced the policy on public-private partnerships. Fully complied with.** The development of Punjab's Public Private Partnership (PPP) Strategy has generated interest and support for PPPs in Punjab. PPPs are expected to improve the quality of services, particularly for the poor, while helping to reduce the cost burden of full public service delivery. The PPP Strategy, approved by the provincial cabinet on 11 February 2009, has been circulated to the provincial departments and the local governments as a public document in both English and Urdu, and was the subject of a press release on 31 March 2009. Workshops in PPP have also been held in cooperation with local governments.

#### IV. PROGRAM AND TECHNICAL ASSISTANCE IMPLEMENTATION ARRANGEMENTS

46. The Program includes a TA grant (TA 4504) of \$20 million equivalent from the Government of the United Kingdom, through DFID. The objective of TA 4504 is to support reforms and capacity building to improve devolved social services in Punjab. The TA has flexible design and implementation arrangements to respond to the needs of the Punjab government, local governments, and other stakeholders. Instead of predetermining specific projects, the TA aims to identify and develop subprojects through close cooperation and collaboration with stakeholders.

47. A technical assistance management agency (the TA agency) has been recruited to implement the program TA. The TA agency works primarily with the provincial line departments concerned to identify their TA needs that emerge during program implementation. The TA agency is equipped to build the capacity of the line departments to undertake needs assessments and at the same time articulate specific areas where TA is required to improve various aspects of departmental performance in the social sectors, such as strategic planning, budget preparation, monitoring, and local government support. The TA agency will undertake the necessary procurement and arrange workshops, among other things, to ensure that the TA subprojects are effectively designed and implemented. Since its mobilization, the TA agency has developed links with the line departments, other related reform programs, and other oversight provincial departments such as the planning and development department and the department of finance. The TA agency has also assessed the realities of local governments and their TA needs through visits to the districts.

48. The planning and development department of the Punjab government is the Executing Agency for the Program. A program steering committee (PSC) has been established to oversee program and TA implementation. It is headed by the chairman of the planning and development board, and comprises all concerned provincial line department secretaries, *nazims* from district governments and TMAs, and civil society members. A TA management committee headed by the planning and development secretary approves TA work plans and other initiatives. The PSC has met regularly to provide strategic guidance for program implementation. A PSU, which was established to serve as the secretariat for the PSC, coordinates program activities with provincial agencies and local governments. This structure has provided an effective arrangement for implementing the Program.

#### V. CONCLUSION

49. The third-tranche activities have been undertaken during a period of political transition, which cast the future of the local government system into question, making the implementation of the program reforms quite challenging. Most recent developments in the province, however, indicate that curtailed powers of the elected *nazims* will be restored and the term of the elected councils will be extended. All this augurs well for the continuity of the program reforms. Despite the complexity of the changing political and administrative environment, progress has been achieved toward the program outcomes, concerning both system-related reforms and tangible improvements in service delivery at the local level.

50. At the level of system reforms, the Punjab government has instituted strategic medium-term planning for the social sectors, and the process has also been transmitted to the local government level in the form of 3-year rolling plans. The provincial line departments have

likewise set minimum benchmarks for social service delivery and have computed the costs of strategies for monitoring these benchmarks. To ensure the effective implementation of these reforms, the Punjab government has rationalized staff according to departmental and sector needs. Furthermore, the sustainability of these reforms has required the Punjab government to broaden the platform of participation in social sector delivery, through behavior change campaigns and PPP. Translating system-level reforms into tangible improvements in service delivery at the local level requires the Punjab government's continued commitment to the conditional grant system under the provincial finance commission, which has given the local governments the funds to undertake the schemes identified in their sector plans. The Punjab government's continued commitment to system reforms, balanced with tangible improvements in service delivery at the local level, has resulted in the substantial implementation of third-tranche conditions, and the Program as a whole.

## **VI. RECOMMENDATION**

51. In view of the substantial progress made in implementing the Punjab Devolved Social Services Program, as evident from full compliance with 1 deferred second tranche condition and 11 third tranche conditions; substantial compliance with 1 deferred second tranche condition; and partial compliance with 1 third tranche condition, the President recommends that the Board approve, on a no-objection basis, (i) the waiver of full compliance for the partially complied third tranche condition 3(c) and (ii) the release of the third tranche of the Punjab Devolved Social Services Program, consisting of (a) ¥1,599,150,000 for Loan 2144-PAK (OCR), (b) SDR16,590,000 for Loan 2145-PAK (SF), and (c) \$5,000,000 for the ADB-administered DFID Grant.

## POLICY MATRIX

**Table A1: Punjab Devolved Social Services Program: List of Supporting Documentation**

Policy Conditions	Assessment of Progress	Documents Provided
	<b>1. Realign Intergovernmental Relations to Support Devolved Social Services</b>	
<p>(a) The provincial cabinet shall have approved the 5-year strategic plans developed by the PLDs.</p>	<p>Punjab became the first province in Pakistan to develop and adopt a comprehensive MTDf. The MTDf is a major fiscal development milestone which improves efficiency and predictability in resource allocation, and encourages discipline in fiscal management. It follows the guidelines notified by planning and development department (P&amp;DD), is approved by the provincial cabinet, and contains strategic plans for all the sectors covered under the Program, among others. It is a detailed document prepared after extensive consultation within government and with civil society.</p> <p>The MTDf (2008–2011) was approved by the provincial cabinet on 16 June 2008. The Program has assisted the government in developing the document, working on 13 sector write-ups, and aligning the MTDf with the strategic planning guidelines developed under the first tranche. The MTDf document is divided into three major sections covering the social, infrastructure development, and production sectors. The government has demonstrated strategic and medium-term planning for the social sectors in its MTDf.</p>	<ol style="list-style-type: none"> <li>1. Copy of MTDf (2008–2011)</li> <li>2. Minutes of the cabinet meeting approving MTDf</li> </ol>
<p>(b) At least (75% of the district governments and 50% of the program TMAs shall have developed their 3-year sector rolling plans consistent with the 5-year strategic plans and the respective local government councils shall have approved such rolling plans.</p>	<p>Under the devolved system, the importance of strategic planning for social sectors extends to the local governments. In this regard, the Program required local governments to develop 3-year rolling plans in line with the MTDf to identify local priorities and provide predictability to these priorities. The Program developed templates for the 3-year rolling plans and conducted a series of 1-day training workshops for the concerned staff of all district governments and TMAs to familiarize them with the templates. These efforts have yielded results in submission of approved 3-year rolling plans. The PSU data indicate that 29</p>	<ol style="list-style-type: none"> <li>1. Sample copies of 3-year rolling plans (health)</li> <li>2. Sample copies of 3-year rolling plans (WSS)</li> <li>3. Sample copies of 3-year rolling plans (education)</li> <li>4. Sample copies of 3-year rolling plans (special Education)</li> <li>5. Approval of 3-year rolling plans (district governments)</li> <li>6. Approval of 3-year rolling plans (TMAs)</li> </ol>

Policy Conditions	Assessment of Progress	Documents Provided
	<p>districts have submitted approved (by local councils) plans for health, 9 out of 12 for education, 7 out of 8 for special education, and 24 out of 34 TMAs for WSS. The required number of 3-year rolling plans approved by local councils has been met in all sectors according to the tranche condition. Some plans have not been approved by local councils, owing to the provincial government's curtailment of some powers of the <i>nazims</i>; however, subsequent to the most recent change of government in Punjab, the President of Pakistan has indicated that these powers will be restored, and that the term of the local governments is likely to be extended for 6 months. These changes indicate a more favorable environment for the local councils.</p>	
<p>(c) Punjab shall have approved the time-bound action plan and PLDs, S&amp;GAD and the DOF shall have implemented such action plan.</p>	<p>For the first and second tranches, the Program and DOF developed a compendium of laws, rules, regulations, notifications, directives, and orders relating to devolved administrative and financial powers. After a review of the compendium, a time-bound action plan improving the implementation of administrative and financial powers was developed. The action plan underwent review by all concerned PLDs. For the third tranche, these actions were rationalized; some had already been implemented, others were outside the scope of the Program, and still others were no longer applicable within the current local government structure. The revised action plan identified 43 gaps, and has been approved by the LG&amp;CDD secretary, in compliance with the tranche condition. All the gaps in the action plan have been addressed by the departments concerned.</p>	<ol style="list-style-type: none"> <li>1. Copy of approval of action plan for devolved administrative and financial powers by the secretary of the LG&amp;CD department</li> <li>2. Copy of proposed action plan</li> <li>3. Documentary evidence to demonstrate that gaps identified have been filled</li> </ol>
<p>(d) 100% of the sub-divisional officers and 50% of executive engineers shall have appointed in each program TMA to exercise technical sanctioning powers.</p>	<p>One of the crucial impediments to achieving functioning local governments is inadequate staffing. At the TMA level, the Program aimed to have officers of grades BS-17 and BS-18 in TMAs and district headquarters, respectively, to enable all program TMAs to exercise technical sanction powers for most schemes. The head of the TMA administration is the town municipal officer (TMO), and under the TMO there are town officers (TOs), one each for</p>	<ol style="list-style-type: none"> <li>1. Notification showing the enhancement of technical sanctioning powers</li> <li>2. Copy of list showing present SDOs/XENs in the program TMAs</li> <li>3. Copies of orders received from various TMAs regarding exercise of enhanced powers</li> </ol>

<b>Policy Conditions</b>	<b>Assessment of Progress</b>	<b>Documents Provided</b>
	<p>planning, infrastructure and services, municipal regulations, and finance. Depending on the size of the TMA, the TO I&amp;S is either an executive engineer (XEN) of BS-18 grade or a sub-divisional officer (SDO) of BS-17 grade. In Punjab, there are 7 XEN TMAs and 24 SDO TMAs. the government has surpassed the tranche requirement by appointing 100% of XENs in XEN TMAs (district headquarters TMAs) and 100% of SDOs in SDO TMAs.</p>	
<p>(e) Unless the 3-year PFC award shall have been approved and announced, PFC shall have approved and announced the interim annual PFC award and shall have continued with the conditional grant system for devolved social services.</p>	<p>To ensure predictable financial transfers to local governments, the Program required that the PFC award should be announced and approved and that the conditional grants system for devolved social services should continue. The PFC award now stands approved and has been announced. Furthermore, DOF has recently signed release orders for the second tranche of ADF funds to be transferred to local governments as conditional grants. In the period leading up to elections and post elections, local governments were discouraged from utilizing development funds; therefore, utilization, especially at the district level, of the first tranche of conditional grants was delayed. The PSU has since been interacting with districts to encourage and offer guidance in proper utilization. These efforts have yielded accelerated utilization of grants.</p> <p>The DOF has indicated that the capacity of the PFC will be enhanced under DSP-II to effectively undertake its role in monitoring utilization of conditional grants disbursed under the PFC award.</p>	<ol style="list-style-type: none"> <li>1. Copy of PFC award</li> <li>2. Copy of minutes of PFC meeting held in March 2007</li> <li>3. Copies of release orders for program TMAs and district governments by the PFC wing of DOF</li> </ol>

<b>Policy Conditions</b>	<b>Assessment of Progress</b>	<b>Documents Provided</b>
(f) Punjab shall have entered into the MOUs, in form and substance acceptable to ADB, with district governments and the program TMAs to access program funds, on the terms and conditions set out in the MOUs.	To become eligible for accessing the PDSSP conditional grants, districts and program TMAs are required to enter into an MOU with the government of Punjab. The MOU lays out the terms and conditions for the use of conditional grants. For the third tranche, the local governments are required to submit 3-year rolling plans, duly approved by the council, and demonstrating investment choices in line with the MSDS. The PSU indicates that 35 out of 35 district governments and 34 out of 34 TMAs have signed MOUs.	<ol style="list-style-type: none"> <li>1. 3 sample MOUs signed by TMAs and P&amp;D secretary</li> <li>2. 3 sample MOUs signed by district governments and P&amp;D secretary</li> </ol>
	<b>2. Rationalize and Set Minimum Standards for Social Services</b>	
(a) HUD and PHED, DOH, district governments, and the program TMAs shall have commenced implementation of the technical and service standards.	<p>The development and enforcement of service standards is an important instrument for improving the quality of social services using evidence-based interventions. By establishing clear, objective, and agreed performance benchmarks and explicitly defining expectations in terms of inputs, processes, outputs, and outcomes, an enabling framework is established for more effective and efficient service delivery at the local government level. Although the Program only requires the development of MSDS for health and WSS, MSDS for all sectors have been developed and approved. For the release of the third tranche, HUD&amp; PHED, and the health department are required to commence implementation of the MSDS for their respective sectors.</p> <p>The MSDS for health were notified on 31 December 2007, and the notification for MSDS WSS was issued on 24 October 2008. Implementation guidelines and a list of allowed and disallowed uses of the funds have been developed by the PDSSP and shared extensively with all 34 program TMAs through the PHED and DOF, and with all 35 district governments through the health and finance departments. Both sets of implementation guidelines have been translated into Urdu for dissemination and greater understanding and assimilation. For dissemination of the guidelines, the PSU organized workshops during which</p>	<p><b>Health</b></p> <ol style="list-style-type: none"> <li>1. Copy of notified MSDS document</li> <li>2. Copy of notification issued by DOH dated 31 December 2007</li> <li>3. Copy of letter under which copies of the MSDS document were sent to district governments</li> <li>4. Copy of letter sent to regional coordinating officers requesting implementation of MSDS</li> <li>5. Copy of PMDGP policy matrix</li> <li>6. Copy of three MOUs signed by district governments with the provincial government for their commitment to implement MSDS (health) by 2012</li> <li>7. Sample of MOU signed by district governments with provincial government enabling them to access funds released under the Program and committing them to utilize funds to implement the MSDS (health)</li> <li>8. Implementation guidelines prepared by the PDSSP in English and Urdu and disseminated through the office of the secretary of health and the office of the director general for health services</li> <li>9. Detailed guidelines prepared on ADB request under PMDGP</li> <li>10. Focused utilization of PDSSP funds toward implementation of an MSDS list of allowed and disallowed fund uses and its dissemination by the DOF</li> <li>11. Copy of document showing the cost implications for MSDS in health</li> <li>12. The district governments put their efforts towards implementation of MSDS (health)</li> <li>13. A sample copy of 3-year rolling plan for health of district government which clearly links with the planning to implement the MSDS in health</li> <li>14. Copy of three 1-day workshops from 26 August to 28 August 2008 in collaboration with MNCH program to sensitize the district governments to MSDS implementation</li> </ol>

Policy Conditions	Assessment of Progress	Documents Provided
	<p>the implementation guidelines developed by the Program for MSDS (health) were communicated in detail by the director general health services and the program director, PDSSP to all 35 districts over 3 days. A similar 3-day workshop was held with program TMAs at the PSU for sharing the WSS MSDS. Another step in the implementation of the MSDS is the MOU, which has been developed for health MSDS, duly vetted by the DOH. PSU data indicate that 32 districts have entered into MOUs with the Punjab government.</p>	<ol style="list-style-type: none"> <li>15. Copies of PPP MOUs related to implementation of MSDS.</li> <li>16. Copy of letter sending DVDs of the documentary prepared by the PDSSP on MCH issue which also support implementation of MSDS</li> <li>17. A copy of letter sent by provincial health development centre showing training plan of health personal on MSDS, particularly on MNCH area</li> <li>18. Training program of MNCH program</li> <li>19. Copy of directions issued by office of director general health services to all EDO (health) for filling of vacant posts of lady health visitors to help in implementing the MSDS</li> <li>20. A copy of note portion sent by PHSRP to DOF for creation of 2456 posts of midwives, at all BHUs as per MSDS (health)</li> <li>21. A copy of note portion sent by PHSRP to DOF creation of 149 posts of gynaecologists, at all THQs and DHQs as per MSDS (health)</li> <li>22. Copy of contract between district government Kasur and Rawalpindi and Contech International for the provision of school health services which is also evidence for implementation of MSDS for School Health Services Program</li> <li>23. Confirmation of Government of the Punjab for implementation of MSDS in Health Sector.</li> </ol> <p><b>WSS</b></p> <ol style="list-style-type: none"> <li>24. Copy of notified MSDS document</li> <li>25. Copy of notification Issued by HUD &amp; PHED</li> <li>26. Copy of letter sent to regional coordinating officers requesting for implementation of MSDS</li> <li>27. Sample of MOU signed by TMA with the provincial government to access funds released under PDSSP.</li> <li>28. Implementation guidelines prepared by the PDSSP in English and Urdu and disseminated</li> <li>29. Focused utilization of PDSSP funds toward implementation of MSDS-positive and negative list and its dissemination by the DOF</li> <li>30. Sample received from TMAs about commitment to follow positive and negative list</li> <li>31. Copy of letter sending DVDs of the documentary prepared by the PDSSP on WSS issues to all program TMAs</li> <li>32. Report on three 1-day workshops of TO (I&amp;S) to sensitize them for implementation of MSDS (WSS)</li> <li>33. Confirmation of Government of the Punjab for Implementation of MSDS in WSS.</li> </ol>

<b>Policy Conditions</b>	<b>Assessment of Progress</b>	<b>Documents Provided</b>
(b) District governments and the program TMAs shall have filled half of the remaining 50% of the essential vacant positions in accordance with the guidelines notified by LG&RD and LGC shall have reported on the transparency of the recruitment process.	Another major impediment to service delivery has been the significant number of vacant positions in the social sectors. Filling these vacant positions through a transparent recruitment process has been undertaken since 2004, when the government developed the Recruitment Policy and the Contract Appointment Policy. From 2004 to 2007, the local governments filled 50% of essential vacant positions in the four social sectors. For release of the third tranche, the Program requires the districts and program TMAs to fill half of the remaining 50% of essential vacant positions, or 75% of the overall vacancies. Data from the PSU indicate that this condition has been met in all sectors.	<ol style="list-style-type: none"> <li>1. Letters received from PLDs</li> <li>2. Contract Appointment and Recruitment policies issued by the S&amp;GAD</li> <li>3. Copy of letter received form LGC for observing transparency during recruitment by the PLDs and local governments</li> </ol>
	<b>3. Strengthen Public Accountability Mechanism and Promote Public-Private Partnership</b>	
(a) PLDs, district governments and program TMAs shall have implemented the monitoring strategies.	After a comprehensive review of monitoring systems in the social sectors and consultations with the local governments, costed monitoring strategies were developed and approved for each of the four social sector departments covered by PDSSP. Implementation of the strategies has commenced in all four sectors: In WSS, PHED has established community development units at the district level, and an MIS cell has been formed at the secretariat level. Internal monitoring systems in the health sector have been strengthened under the HSRP in line with the requirement of the MSDS for health; and in the education and special education sectors, with significant support from the PESRP PMIU, there is evidence to suggest a shift toward systematic monitoring and evaluation.	<ol style="list-style-type: none"> <li>1. Copy of costed monitoring strategy developed by PDSSP</li> <li>2. Copies of letters received from PLDs for implementation</li> <li>3. Copy of sample of monitoring form filled by DMO for education</li> <li>4. Copy of sample of monitoring form filled by DMO for special education</li> <li>5. Copy of sample of monitoring form filled by DMO for health (nonclinical indicators– external monitoring)</li> <li>6. Copy of sample of monitoring form filled by in-charge district health development committee for health (clinical indicators –internal monitoring)</li> <li>7. Copy of monitoring report by TMAs sent to MIS cell, PHED</li> <li>8. Copy of compiled provincial monitoring reports in education sector</li> <li>9. Copy of compiled provincial monitoring reports in health sector (external monitoring)</li> <li>10. Copy of compiled provincial monitoring reports in health sector (internal monitoring)</li> </ol>
(b) Punjab shall have continued to implement its behavior change communication campaign.	To make end users of social services aware of the reasons for poor social indicators, and to ensure they are informed of recent service delivery reforms, the Program requires continued implementation of the BCC campaign developed for the first and second tranches. The PSU has reported on the implementation of the BCC campaign in all four program sectors, through posters, brochures,	<ol style="list-style-type: none"> <li>1. Copy of BCC report developed by PDSSP</li> <li>2. Brochures, pamphlets, posters printed by provincial health department for general awareness</li> <li>3. Evidence received from district governments showing implementation of BCC Campaign.</li> <li>4. Approval of Report on Communication and Behaviour Change Communication Campaign.</li> </ol>

Policy Conditions	Assessment of Progress	Documents Provided
	<p>and informative newspaper ads in the print media and through two documentaries (Mothers of Punjab; and Re-inventing the Lifelines of Punjab), which have been aired on local cable channels and distributed to all EDOs health and the local governments for dissemination and telecasting. In a meeting with P&amp;DD, the secretary suggested that posters conveying basic hygiene messages in schools were very effective in the past and that the Program may incorporate these into its BCC campaign.</p> <p>Affecting behavior change is, of course, a long-term commitment, and outcomes would take some time to observe; however, the Program, through the BCC campaign, has taken the initial step of spreading awareness and interacting with users of social services. The Punjab government may want to build on this campaign by adding components or devising a system for tracking outcomes.</p>	
<p>(c) LGC shall have carried out a survey and confirmed the effective functioning of the local government monitoring committees.</p>	<p>To determine the functional effectiveness of monitoring committees, the PSU, in conjunction with the local government department and the local government commission, contacted all district governments and program TMAs by phone and sent questionnaires. Findings indicate that monitoring has been undertaken in the majority of local governments, although unevenly. Certain districts and TMAs, such as districts Bahawalpur, Gujranwala, Gujarat, Kasur, Narowal, Pakpattan, and TMAs Vehari, Chiniot, Kallar Kahar, and Shorkot, have been extremely active in convening meetings, and issuing and implementing recommendations. Other monitoring committees, in contrast, meet only once a year. Although the activity level of monitoring committees has not been uniform in the province, the results of the survey are still encouraging, considering the uncertainty surrounding devolution and the institutions created under the PLGO.</p> <p>Using the technical assistance grant under the Program, a proposal has been developed and accepted by the Punjab government for undertaking an in-depth situation analysis to identify</p>	<ol style="list-style-type: none"> <li>1. Table showing approval of monitoring committees' bylaws, observance of bylaws, and functionality of monitoring committees</li> <li>2. Minutes of meetings, other sources of information providing evidence of functionality of monitoring committees</li> <li>3. Approval of council resolutions for adopting monitoring committee bylaws.</li> <li>4. Letters from relevant departments showing composition of monitoring committees in accordance with the bylaws</li> <li>5. Letter from LGCD secretary on the subject Effectiveness of Monitoring Systems for the Local Governments</li> <li>6. Letter from LGCD section officer (admin-1) on the subject Survey of Monitoring Committees</li> <li>7. Checklist for monitoring committees for TMAs (WSS sector)</li> <li>8. Checklist for monitoring committees for district governments (health sector)</li> <li>9. Checklist for monitoring committees for district governments (education sector)</li> <li>10. Checklist for monitoring committees for district governments (special education sector)</li> <li>11. Technical assistance proposal for strengthening of monitoring committees and the monitoring mechanism.</li> </ol>

Policy Conditions	Assessment of Progress	Documents Provided
<p>Deferred Second-Tranche Condition: 3(c) Local government councils shall have approved and the local government monitoring committees shall have observed the bylaws.</p>	<p>systemic and capacity constraints on effective monitoring. The findings should indicate the type of training required by monitoring committees and local government councils. Additionally, alternative mechanisms will be explored to strengthen monitoring and transparency in local governments. The LG&amp;CD secretary has also conveyed commitment to further strengthen monitoring systems at the local government level. In this regard, detailed checklists for education, health, and WSS have been developed for inspections and facility visits.</p> <p>During the first year of the Program, bylaws were developed to guide the formation and operation of monitoring committees. This was an important step forward in institutionalizing public representation in the monitoring process for social service delivery. All program districts and TMAs have approved the bylaws, 71% of districts and 64% of TMAs have formed monitoring committees, and the majority of these districts and TMAs have done so in accordance with the bylaws.</p>	
<p>(d) PLDs, district governments and the program TMAs shall have implemented the policy on public-private partnerships.</p>	<p>The strategy was widely circulated at both the provincial and local government levels. Key points from the PPP Strategy were translated into Urdu and distributed among the district governments and the program TMAs. Also, workshops were held for the TMAs for undertaking PPPs in the WSS Sector. To initiate implementation, seven PPP models were developed in all four PDSSP sectors. These models were shared with the district government representatives in roundtable meetings, which were also attended by the potential private sector partners. The PSU has thus far managed the signing of 22 MOUs in the health sector, 5 in the education and special education sectors, and 5 in the WSS sector. The list of PPP projects is in Appendix 4.</p> <p>The PSU has also prepared an Urdu translation of a booklet of summary points for PPPs in the social sectors, and this was distributed to all district governments and program TMAs. It</p>	<ol style="list-style-type: none"> <li>1. Minutes of provincial cabinet meeting held on 11 February 2009.</li> <li>2. Copy of PPP strategy developed</li> <li>3. Copy of implementation guidelines in English and Urdu</li> <li>4. Copy of note portion showing vetting by law department and seven models/MOUs cleared by law department</li> <li>5. Copy of all MOUs signed by both parties</li> <li>6. Criteria and SWOT analysis of all provincial PPPs and copy of MOUs signed by both parties</li> <li>7. Report of roundtable PPP workshop attended by all PLDs and selected district governments and TMAs</li> <li>8. Copies of presentations given to P&amp;D chairman on 25 June 2008 and P&amp;D secretary on 4 September 2008</li> <li>9. Copy of minutes of meeting on 2 September chaired by P&amp;D secretary</li> <li>10. Minutes of CM meeting where PPP on the pattern of SSI was approved</li> <li>11. Copy of relevant portion of study on restructuring of Punjab Health Foundation, where the restructured PHF is given the role of clearinghouse for future PPP proposals in the health sector</li> <li>12. A copy of guidelines/SOPs issued by the finance department about the utilization of funds for PPP arrangements</li> </ol>

Policy Conditions	Assessment of Progress	Documents Provided
<p>Deferred second-tranche condition: 3(d) The provincial cabinet shall have approved and Punjab shall have announced the policy on public-private partnerships.</p>	<p>should prove useful in guiding local governments when designing and implementing PPPs. The PSU has presented the 7 PPP models to all interested local governments, and has also shared the list of Pakistan Centre for Philanthropy-registered nonprofit organizations (NPOs) with all EDOs, DCOs, and program TMAs to encourage independence and ownership of the PPP strategy.</p> <p>The PPP strategy, approved by the provincial cabinet on 11 February 2009, has been circulated to the provincial departments and the local governments as a public document in both English and Urdu. Workshops for undertaking PPPs were also held with local governments. In addition, the PPP strategy was publicly announced in a press release on 31 March 2009.</p>	<ol style="list-style-type: none"> <li>13. A copy of evidence showing the implementation of PPPs in district governments, i.e., Faisalabad and Gujranwala, Sialkot, and TMA Chiniot</li> <li>14. A copy of letter issued to district governments and program TMAs informing them of the funds to be apportioned for implementation of PPPs</li> <li>15. Letter issued to program TMAs and district governments communicating the list of NPOs</li> <li>16. Copy of summary initiated by PRMP for establishment of PPP cell in P&amp;D department</li> <li>17. List of PPP projects undertaken by the Program in the social sectors</li> <li>18. Copy of press release.</li> </ol>

ADB = Asian Development Bank, ADF = Asian Development Fund, BCC = behavior change communication, BHV = basic health unit, DFID = Department for International Development (UK), DHQ = district health headquarters, DMO = district monitoring officer, DOF = department of finance, DOH = department of health, DOL = department of law, DSP = Decentralization Support Program, EDO = executive district officer, HSRP = Health Sector Reform Program, HUD&PHED = housing and urban development and public health engineering department, LG&CD = local government and community development department, LG&RD = local government and rural development department, LGC = local government commission, MIS = management information system, MCH = maternal and child health, MNCH = maternal, neonatal and child health, MOU = memorandum of understanding, MSDS = minimum service delivery standards, MTDf = Medium Term Development Framework, P&DD = planning and development department, PESRP = Punjab Education Sector Reform Program, PFC = provincial finance commission, PHSRP = Punjab Health Sector Reform Program, PLD = provincial line department, PMDGP = Punjab Millennium Development Goals Attainment Program, PMIU = project management implementation unit, PPP = public-private partnership, PSU = program support unit, SDO = sub-divisional engineer, S&GAD = services and general administration department, THQ = *tehsil* headquarters, TMA = *tehsil* (town) municipal administration, TO (I&S) = *tehsil* officer (infrastructure and services), WSS = water supply and sanitation, XEN = executive engineers.

Source: Program Support Unit of the Punjab Devolved Social Services Program, Lahore.

## DETAILS OF DEVELOPMENTS IN SOCIAL SECTORS

1. **Education Sector.** The education sector in the province is marred by regional, rural-urban, and gender disparities. The literacy rate in the north of the province is better than in the southern parts of the province. Similarly, the rural areas lag behind the urban areas in literacy, and females are at a disadvantage compared with males in acquiring education.
2. The proportion of the population that has attended school is higher and the gender difference lower among higher-income groups. However, a comparison of data from the Pakistan Integrated Household Survey (PIHS FY1996) and Pakistan Social and Living Standards Measurement Survey (PSLM FY2006) shows that the proportion of males that has attended school has declined over time in Punjab; this decline has occurred largely in rural areas. The data from the above two sources also indicate that in 1996 only 38% of the female population had attended a school; by 2006 this figure had increased to 49%.
3. As a result of the reforms undertaken by the government of the Punjab in the sector, such as the Punjab Education Sector Reforms Program (PESRP), the number of functional schools in the public sector increased from 60,000 in 2002 to roughly 63,000 in 2005. The report of the PESRP also indicates that 87% positions were filled at primary level and 80% at middle school level as of May 2005. The provision of basic facilities in schools, such as water, toilets, electricity, and boundary walls also improved.<sup>1</sup>
4. The literacy rate in the province is slightly better than the national rate. However, gender disparity in the literacy rate is very prominent, with an overall literacy rate of 65% for males and 44% for females. Although the gender disparities in the literacy rate have not been reduced over time, Punjab's female literacy rate increased from 29% in FY1996 to 47% in FY2006.<sup>2</sup> Additionally, during the period from FY1998 to FY2004, the overall change in literacy rate for Punjab was about 7% (47%–54%): 6% for males and 9% for females.
5. Gross enrolment rates (GERs) at primary, middle, and secondary levels across poor and non-poor households indicate an increase over time for both males and females. The gross enrollment rate at the primary level increased from 82% in 1999 to 98% in 2006 for male students, whereas the increase for females during the same period was 21%, i.e., from 68% to 89%. At the middle level, the GER increased from 47% to 58% for males and from 39% to 48% for females during the period 1999–2006. The details are provided in the table below.

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<sup>1</sup> By May FY2005, nearly 84% of primary schools had water, 62% had boundary walls, 35% had electricity, and 41% had latrines. Middle schools fare better in terms of available facilities.

<sup>2</sup> Source: PIHS (1995/96) and PSLM (2005/06).

**Table A2.1: Gross Enrolment Rate Punjab, Primary and Middle Level (%)**

Education Level	Male		Female	
	1999	2006	1999	2006
<b>Primary level</b>				
All Areas	82	98	68	89
Urban Areas	91	112	97	107
Rural Areas	79	93	58	83
<b>Middle level</b>				
All Areas	47	58	39	48
Urban Areas	57	66	66	75
Rural Areas	44	54	28	37

Source: Pakistan Integrated Household Survey (1998/99) and Pakistan Social and Living Standards Measurement Survey (2005/06).

6. However, despite the increase in enrollment at each level, nearly 9.57 million children of school-going age are out of school (Multiple Indicator Cluster Survey 2003/04). Primary-level completion rates improved from 38% to 45% from FY1999 to FY2005.

7. Although capacity utilization of boys' schools has improved considerably, girls' schools remain largely underutilized. Additionally, grade repetition and dropout rates are also indicators of wastage in education. The PSLM reports that in Punjab the percentage that had completed primary schooling or higher increased from 38% in FY1999 to 45% in FY2006.

8. To address all these issues, total expenditure on education as a percentage of Punjab's GPP has increased steadily since FY2004, after the initiation of the PESRP. The distribution of education-related expenditure across broad categories indicates a sharp and substantial rise in expenditure on primary education, especially after FY2003. The overall allocation for education sector in 2007–2008 was PRs21.48 billion, up from PRs12.48 billion in 2006–2007.<sup>3</sup>

9. **Health Sector.** Basic health indicators in the province are poor, and the situation is exacerbated by the low literacy rate in the province. The common public is not aware of practices that promote hygiene. For example, the MICS (2003/04) reports that only 41% of households use soap to wash their hands before eating and only 55% wash their hands properly after going to the bathroom.

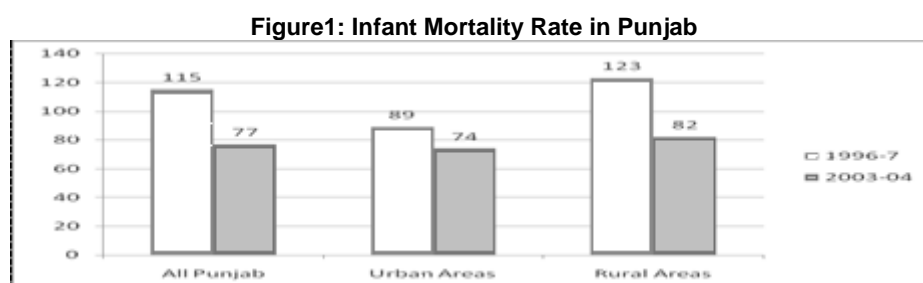
10. Immunization coverage in the province increased from 39% in FY1999 to 58% in FY2006. The proportion of immunized children is higher in urban areas than rural areas. Punjab fares better than Pakistan as a whole in terms of immunization coverage based on records.<sup>4</sup>

11. The infant mortality rate (IMR) and under-5 mortality rate (U5MR) are important indicators of overall well-being. The MICS (2003/04) data indicate that the U5MR in Punjab was 112 per 1,000 births and the IMR was 77 per 1,000 live births in FY2004. There was a substantial decline in the IMR from FY1997 to FY2004, particularly in rural areas, from 123 deaths to 82 deaths per 1,000 live births. Closely related to this is the significant proportion of children under five that are underweight in Punjab, reflecting poor overall health and well-being. In line with the national trends, the prevalence of malnutrition has not declined over the last 20 years. According to the MICS (2003/04), one third of children (34%) are found to be underweight in Punjab.

<sup>3</sup> Planning and Development Department, Government of Punjab. 2008. *White Paper on the Budget 2007–2008*. Lahore.

<sup>4</sup> Pakistan Social and Living Standards Measurement Survey (PSLM) (2005/06)

12. The department of health (DOH) targets and the associated health service indicators for IMR and maternal mortality ratio (MMR) are in Table 2. About 70% of infant deaths in Pakistan and Punjab occur during the neonatal period (the 2006–2007 Pakistan Demographic Health Survey), the majority of which happen during the first 7 days of life.



Source: Pakistan Integrated Household Survey (1996/97) and Multiple Indicator Cluster Survey (2003/04)

**Table A2.2: Key Health Millennium Development Goals and Associated Indicators for Punjab**

Targeting Indicator	2003/ 2004	2006/ 2007	2015 Targets
Infant Mortality Rate per 1,000 Live Births	77	71	40
Under 5 Mortality Rate per 1,000 Live Births	112	102	47
Maternal Mortality Ratio per 100,000 Live Births	300	300	140
Percentage of Births Attended by Skilled Birth Attendants	32	38	100
Percentage of Fully Immunized Children (12–23 months old)	50	79.7	Above 80

Sources: 2003/2004 Multiple Indicator Cluster Survey (MICS).  
2006/2007 the Health Department, Punjab.

13. IMR is higher in rural than urban areas, and there are substantial variations between districts. In general, health indicators are worse in the south than in the rest of Punjab. Across the province, only a third of the deliveries take place in health facilities. With proper primary and secondary care, a majority of the maternal and infant deaths can be avoided. This applies specifically to the poor and vulnerable, who generally have the worst health outcomes. They are pushed further into poverty by ill health, resulting in lower productivity or loss of daily wages, and the burden of health-care expenditure. Timely use of quality primary and secondary health care by the poor, especially women and children, is the key to attaining the Millennium Development Goals (MDGs) on IMR and MMR.

14. Another important indicator is the maternal mortality rate and proportion of births attended by skilled health personnel. The MICS (2003/04) data reveal that a third of women in Punjab rely on the assistance of a skilled health worker during delivery. The source of assistance, however, varies by city, urban, and rural areas. Deliveries were mainly attended by a local *dai* (50%), at a private hospital or clinic (16%), followed by a trained *dai* (16%), government hospital/clinic (11%), and lady health visitor (LHV) (5%).<sup>5</sup>

15. Punjab has the largest health infrastructure in Pakistan, comprising a three-tier system divided into primary, secondary, and tertiary levels. The primary health care facility network comprises basic health units (BHUs) and rural health centers (RHCs), and spreads from the smallest administrative unit or union council to the *markaz* level. *Tehsil* and district headquarters

<sup>5</sup> *Dais* are traditional birth attendants.

hospitals form the secondary level and provide basic specialties, and inpatient and diagnostic facilities. The tertiary level includes hospitals that are attached to medical colleges and provide general and highly specialized services. In the public sector alone, there are 325 hospitals; 1,260 dispensaries; 333 RHCs; 2,529 BHUs; 40 tuberculosis (TB) centers; 520 subhealth centers; and 347 maternal and child health centers (Punjab Development Statistics 2008). The trend is depicted below:

**Table A2.3: Health Institutions in the Punjab**

Health Facilities	2003	2004	2005	2006	2007
Hospitals	298	306	308	308	325
Dispensaries	1,241	1,227	1,333	1,333	1,260
Rural Health Centers	294	298	295	295	333
Tuberculosis Clinics	48	50	41	41	40
Basic Health Units	2,427	2,405	2,456	2,456	2,529
Subhealth Centers	570	574	454	454	520
Maternal Care Health Centers	475	492	513	513	347

Source: Punjab Development Statistics, 2008

16. Realizing that health MDGs cannot be attained without wide-ranging health sector reforms, the Punjab government has developed a health sector reform framework (HSRF) as part of the Asian Development Bank-supported PRMP. It has also designed a Health Sector Reform Program (HSRP), which the government has been implementing with its own funds since 2006.<sup>6</sup> In parallel, the government has adopted minimum service delivery standards (MSDS) for health care and has taken measures to strengthen district level social service delivery systems.

17. **WSS.** According to government statistics, 50.06% of the total population is served by piped water supply systems and 53.9% is covered by a sewerage system.<sup>7</sup> Hand pumps are the single-largest source of clean drinking water (42%), followed by donkey pumps or turbines (29%) and piped water (21%).<sup>8</sup> Realizing the importance of this sector, and considering the fact that waterborne diseases are increasing in the province, the provincial budget for WSS was increased by 25%, from PRs5.2 billion in 2006–2007 to PRs6.5 billion in 2007–2008. Currently, the expenditure on water supplies alone is estimated at PRs518 million in the provincial budget. However, the budget estimate for 2006–2007 for the water supply sector was PRs5.5 billion, to enable the repair and rehabilitation of water supply infrastructure in the province. This amount could not be utilized for the rehabilitation of water supply infrastructure, possibly because of lack of clarity in the functional division between the provincial public health engineering department and the TMAs.

18. The provincial vision for the WSS sector is to improve the quality of life of the people of the province through the provision of safe drinking water.<sup>9</sup> An outlay of PRs8 billion has been made to construct about a thousand WSS schemes in 2008–2009; additional allocations have also been made for rehabilitation. Funds have been allocated as well in the Medium Term Development Framework (MTDF) for a community-based sanitation program that is likely to

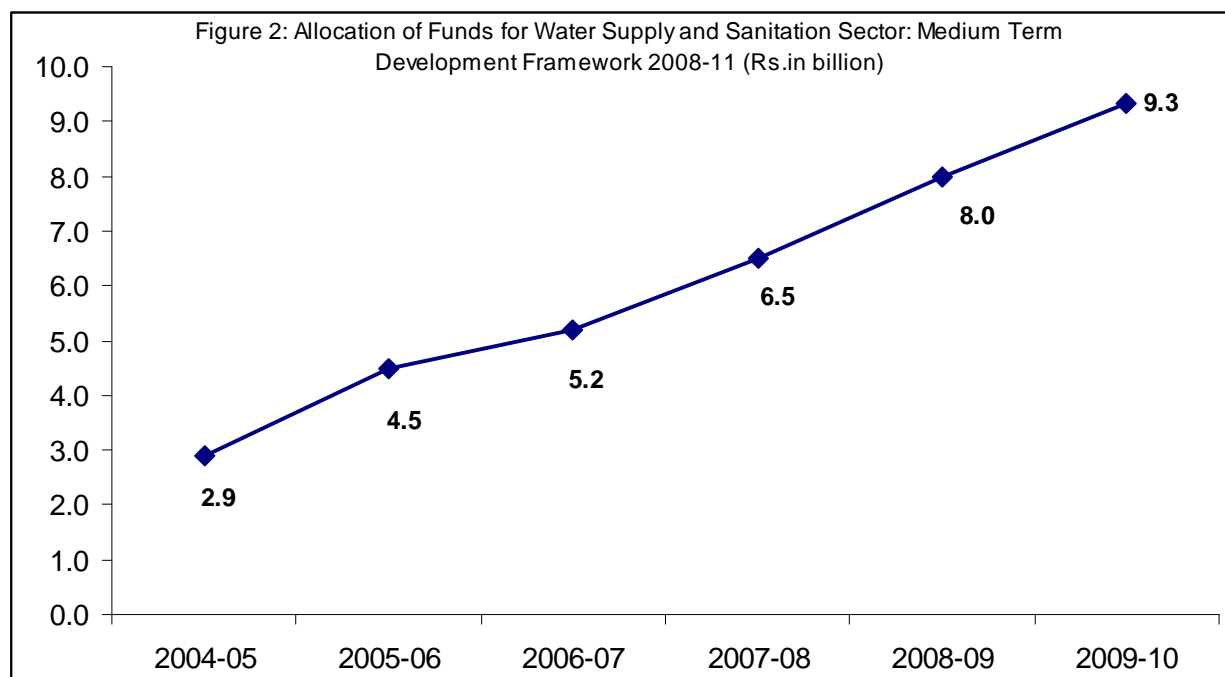
<sup>6</sup> The HSRP has focused on rehabilitation of primary health facilities and incentives for doctors at BHUs.

<sup>7</sup> Planning and Development Department, Government of Punjab. 2006. *Punjab Development Statistics 2005*. Lahore.

<sup>8</sup> Planning and Development Department, Government of Punjab. 2004. *District-Based Multiple Indicator Cluster Survey 2003–2004*. Lahore.

<sup>9</sup> Planning and Development Department, Government of Punjab. 2008. *Punjab Medium Term Development Framework 2008–2011*. Lahore. (See section on Water Supply and Sanitation.)

improve the sanitation, particularly in rural areas and small towns. The funding for the sector is likely to go up to PRs9.32 billion, compared with the present allocation of PRs6.5 billion in 2009–2010.



19. **Special Education.** The special education sector has recently been given a great deal of importance in the province. The special education development program envisages the provision of education opportunities to special children of school-going age to maximize enrollment by 2015. The objective is to make such children economically independent and useful members of society by providing them with skills training.

20. The enrollment of special children in public sector institutions increased from about 9,500 in 2005–2006 to around 15,000 in 2006–2007. The department is working toward its target of 20,500 enrollments.

**SUB-DIVISIONAL OFFICERS AND EXECUTIVE ENGINEERS WORKING IN THE PROGRAM  
TOWN MUNICIPAL ADMINISTRATIONS**

<b>Sr. No.</b>	<b>TMA</b>	<b>Name of Incumbent</b>	<b>BS</b>
1.	Karror Lal Essen	Sheikh Farrukh	17
2.	Tandlianwala	Rehman Safdar	17
3.	Sarai Alamgir	Lehrasib Khan	17
4.	Malakwal	Saif Ullah Khan	17
5.	Taxila	Mumtaz Hussain Awan	17
6.	Kot Momin	Muhammad Akhtar Bhutta	17
7.	Kamalia	Khurshid Ali Dogar	17
8.	Noshera Virkan	Muhammad Arshad	17
9.	Mankera	Shahid Mahmood Shakir	17
10.	Minchinabad	Mukhtar Ahmad	17
11.	Chishtian	Nadeem Mumtaz	17
12.	Shorkot	Tariq Munir	17
13.	Piplan	Ansar Pervaiz Khan	17
14.	Bhakkar	Syed Abbas Sarwar Naqvi	17
15.	Vehari	Manzoor Ahmad	17
16.	Ahmad Pur Sial	Muhammad Din	17
17.	Hassanabdal	Muhammad Iqbal	17
18.	Kallar Kahar	Bashir Bajwa	17
19.	Kalur Kot	Fida Hussain	17
20.	Hafizabad	Riaz Ahmad Ranjha	17
21.	Darya Khan	Ashraf Ali Gill	17
22.	Choubara	Asghar Ali Bajwa	17
23.	Kallar Saidan	Zafar Mahmood Bhatti	17
24.	Karror Pacca	Shahid Mahmood Buzdar	17
25.	Dina	Rana Nadeem Mumtaz	17
26.	Pindi Bhattian	Shahzad Tufail	17
27.	Sohawa	Ghulam Rasool	17
28.	Jhang	Muhammad Ishaq Zaidi	18
29.	Chiniot	M. Bashir Bhatti	18
30.	M. B. Din	Qasim Khan Niazi	18
31.	Pakpattan	Shafiq ur Rehman	18
32.	Wazirabad	Safdar Warriach	18
33.	Layyah	Muhammad Younis Saleem	18
34.	Muzaffargarh	Muhammad Safdar Malik	18

BS= Basic Scale, TMA = Tehsil Municipal Administration

Source: Program Support Unit of the Punjab Devolved Social Services Program, Lahore.

## MEMORANDUMS OF UNDERSTANDING SIGNED FOR PUBLIC-PRIVATE PARTNERSHIPS

Name of Project	Sector	District/TMA	Private-Party Cosignatory
School Health Services	Health	Rawalpindi	Contech International
Maternal and Child Health Services	Health	Rawalpindi	Contech International
School Health Services	Health	Kasur	Contech International
Maternal and Child Health Services	Health	Kasur	Contech International
Safe Water Project in Hospitals	Health	Kasur	Synergy Education Foundation
Safe Water Project in Hospitals	Health	Lahore	Synergy Education Foundation
Safe Water Project in Hospitals	Health	Gujranwala	Synergy Education Foundation
Safe Water Project in Hospitals	Health	Hafizabad	Synergy Education Foundation
Student Vision Screening	Health	Narowal	Sight Savers International
Student Vision Screening	Health	Dera Ghazi Khan	Fred Hollows Foundation
Managing Medical and Surgical Equipment at THQ Hospital Burewala	Health	Vehari	Plan Pakistan
Free Labor Room Services at DHQ Gujranwala	Health	Gujranwala	Patients Welfare Society
Free Labor Room Services at THQ Wazirabad	Health	Gujranwala	Patients Welfare Society
Free Maternal and Child Health Services at AIM Hospital, Sialkot	Health	Sialkot	Patients Welfare Society
Free Maternal and Child Health Services at Government Sardar Begum Hospital, Sialkot	Health	Sialkot	Patients Welfare Society
Free Maternal and Child Health Services at Civil Hospital, Daska	Health	Sialkot	Patients Welfare Society
Free MCH, X-ray and Laboratory Services at THQ Hospital, Pasrur	Health	Sialkot	Patients Welfare Society
Free Laboratory Diagnostic Services for 3 RHCs, Daska	Health	Sialkot	Young Blood Foundation
Free Laboratory Diagnostic Services for all (22) BHUs, Daska	Health	Sialkot	Young Blood Foundation
Free Medical Services at 2 RHCs and 22 BHUs, Daska	Health	Sialkot	Young Blood Foundation
Free Operation Theatre Services	Health	Sialkot	Young Blood Foundation
Free MCH Services, for DHQ Civil Hospital, Daska	Health	Sialkot	Young Blood Foundation
<b>Education and Special Education Sector MOUs Signed with Districts</b>			
Whole School Improvement Plan	Education	Kasur	<i>Idaara-e-Taleem-o-Aagahi</i> (ITA)
Whole School Improvement Plan	Education	Multan	<i>Idaara-e-Taleem-o-Aagahi</i> (ITA)
Whole School Improvement Plan	Education	Sheikhupura	<i>Idaara-e-Taleem-o-Aagahi</i> (ITA)
Teacher Exchange Programme	Special Education	Rawalpindi	Pakistan Foundation
Teacher Exchange Programme	Special Education	Rawalpindi	Fighting Blindness Disabled Peoples Movement

<b>Name of Project</b>	<b>Sector</b>	<b>District/TMA</b>	<b>Private-Party Cosignatory</b>
<b>Water Supply and Sanitation Model MOUs Signed with TMAs</b>			
Community Sanitation Project	Water Supply and Sanitation	<i>Tehsil Nowshera Virkan</i>	<i>Muawin</i>
Community Sanitation Project	Water Supply and Sanitation	<i>Tehsil Vehari</i>	<i>Muawin</i>
Community Sanitation Project	Water Supply and Sanitation	<i>Tehsil Minchinabad</i>	<i>Muawin</i>
Community Sanitation Project	Water Supply and Sanitation	<i>Tehsil Chistian</i>	<i>Muawin</i>
Community Sanitation Project	Water Supply and Sanitation	<i>Tehsil Pindi Bhattian</i>	<i>Muawin</i>

BHU = Basic Health Unit, DHQ = District Headquarter, MCH = Mother and Child Health, MOU = Memorandum of Understanding, RHC = Rural Health Center, TMA = Tehsil Municipal Administration, and THQ = Tehsil Headquarter.  
Source: Program Support Unit of the Punjab Devolved Social Services Program, Lahore