

Local Government Initiative:

Pro-Poor Infrastructure & Service Delivery in Rural Areas

.....Case Study

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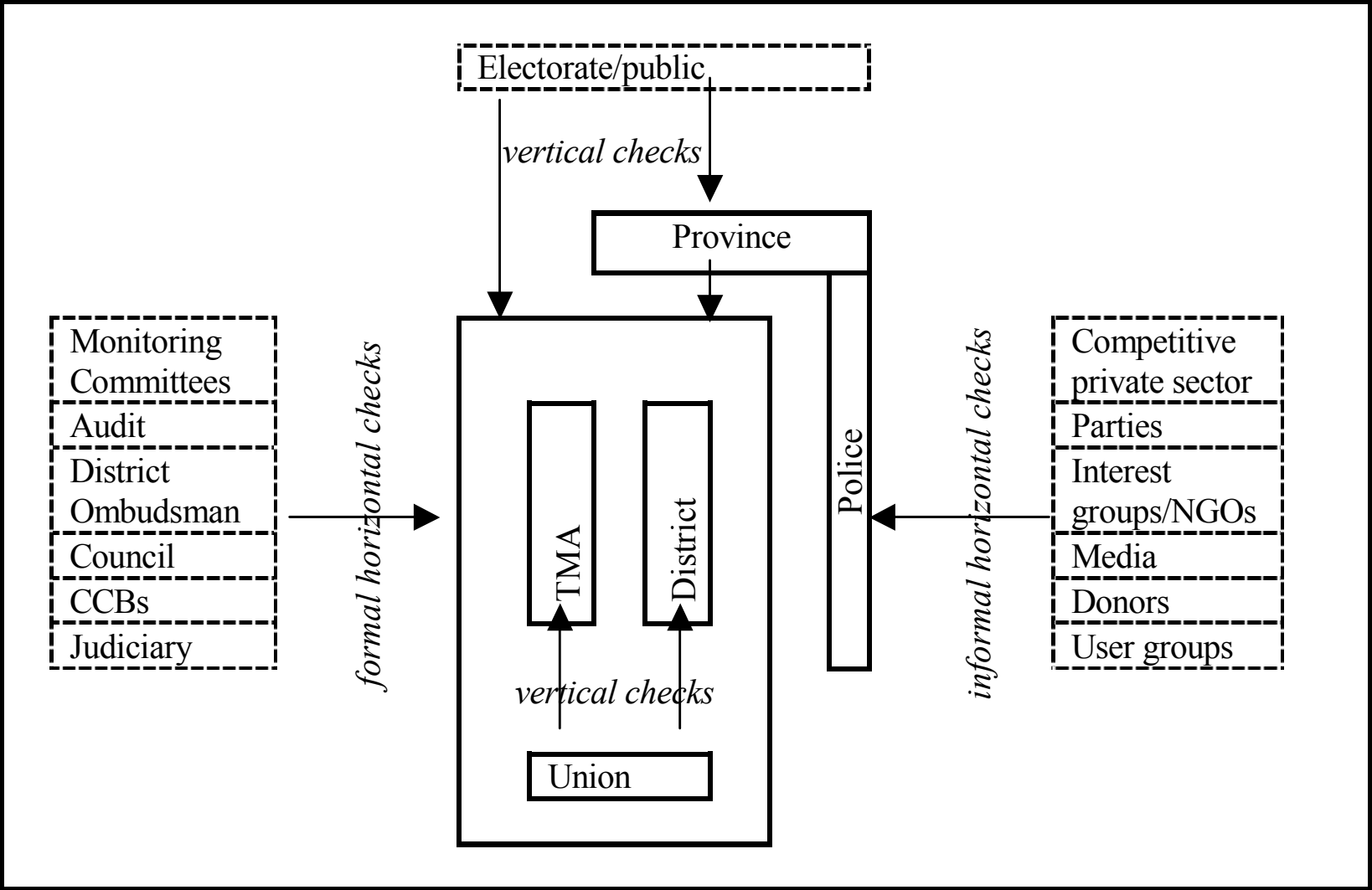
Local Governments in Pakistan

Province	District Govts	City Dist Govts	Tehsil Municipal Admin	Town Municipal Admin	Union Admin
Punjab	33	1	115	7	3453
Sindh	15	1	86	18	1044
NWFP	23	1	59	2	957
Baluchistan	25	1	71	2	568
Total	96	4	331	29	6022

Key features of Pak Devolution 2001

- *Separation of Powers*
- *Functional Realignment*
- *Citizen Access to the State*
- *Re-orientating Central-Local Relations*

The changing framework of accountability



A Framework for Assessing the Service Delivery Impacts of Pakistan's Devolution

Structural changes - political, administrative
and fiscal

Step 1

New incentives for local governments

- **Policy makers' incentives** for efficient fiscal management and to 'listen to the poor'
- **Service providers' incentives** to 'listen to policy makers' and/or to 'listen to the poor'

Step 2

Service delivery improvements:

- Strengthening user control over local policy
- Strengthening user control over supply
- Strengthening user demand
- Meeting unmet need

Service Delivery Impacts of Innovations

Emerging Trends: Incentives and Service Delivery

Outcomes

- *What changes has devolution brought about in the three critical relationships between*
 - *citizens (especially the poor)*
 - *elected leaders/policy makers*
 - *and service providers?*

Is there any indication that these are changing in ways that will improve service delivery, and in particular, outcomes for the poor?













Key Incentives in the Devolved Structures (1)

Incentives on the policy makers	Towards efficient fiscal management	Budgetary certainty	Hard constraints
			Predictable transfers
		Enhanced autonomy in preparing the budget	Autonomy in development budget
			Autonomy in non-salary recurrent budget
			Autonomy in salary budget
		Incentives for local revenue-raising	Buoyancy and potency of taxes
	Clarity of revenue assignments		
	Additional incentives for revenue raising		
	Towards nazimeen that listen to citizens	Councilors motivated to listen to citizens	Public assignment of credit or blame
			Constraints on private goods
		The pull from councilors is stronger than that from the Provinces	Political legitimacy of councilors
			Strength of the opposition
Incentives for provinces to intervene			

Key Incentives in the Devolved Structures (2)

Incentives on the service providers	Towards service providers that listen to policy-makers	Staff working in the district are employed by the district	Autonomy in preparing the salary budget
			Local control over the establishment
			Local management of performance
		Adequate authority over senior staff	Nazim's performance evaluation
			District policing plans approved by the DPSC
		Adequate deployment of staff	Adequate numbers
			Adequate skills
			Adequate technical sanction powers
		External oversight	Monitoring Committees
			District Public Safety Commissions
			Village and Neighborhood Councils
			Insaaf Committees and Musalihat Anjuman
	Pragmatic use of contracting	Judicious use of contracting in	
		Judicious use of contracting out	
	Towards service providers that listen to citizens	Citizen dispute resolution	Departmental Grievances Redressal
			Zila Mohtasib (District Ombudsman)
			Citizen Police Liaison Committees
		Community management of facilities	Citizen Community Boards
School Management Committees			

Emerging Signals on Changing Incentives

Efficiency 	Opportunity to increase revenues derived from taxing own constituents	
	Imposition of hard budget constraints	
	Enhanced autonomy in budgeting	
Roles 	Between the province and the district	
	Political/administrative roles within local governments	
	Between local government and the police	
Outputs 	Jurisdictional clarity in health and education	
	Jurisdictional clarity in water and sanitation	
	Councilors decisions benefiting more than their voters	

Multiple Explanations: Clear Determinants

- *What factors are likely to determine whether devolution will bring about positive changes in relations between policy makers, service providers and citizens?*
- Realigning the three way relationship between citizen, policy maker and service provider **may** impact positively on service delivery.
- The extent to which the relationships will change **is determined in a major way** by factors extraneous to the new institutional arrangements and systemic innovations.

Multiple Explanations: Clear Determinants (2)

- **Determining features of context**
- **Factors of design and implementation**

Impact of Province-LG relationship on local political outcomes

	Khairpur	Karachi	KS	Bannu	Faisalabad	Bahawalpur
Overall political legitimacy of councilors - Degree of political contestation - Voter turnout - Extent of partisan politics –percentage of union nazimeen who are ‘independents’	H	M	M	L	H	M
Provincial constraints on the nazim - Relationship between the Chief Minister and or the main provincial coalition, and the District nazim - Party position in the Provincial Assembly constituencies within the district - Independent political standing of the nazim	M	H	M	H	L	L
Strength of the opposition - Opposition Numerical strength - Party politics in councils - Use of No- Confidence Motion (NCM)	H	M	M	L	L	L
Overall freedom of action of the Nazim	Low	Low	Mode rate	High	High	Very high

Prospects and Lessons Learned

The Limits of Design

What prospect is there for Pakistan's innovations in devolution/service delivery to bring about positive results for the poor, for improvements in service delivery?

- **Citizen-community boards (CCB)**
- **33% reserved seats for women in local councils**
- **Non-hierarchical & political resolution of inter-jurisdictional issues**

Prospects: Policy Communication through Intergovernmental Fiscal Relations

- Transparent, formula-based transfers from higher level governments that are predictable over several years
- Transfers contingent on performance – in process and service delivery terms

Prospects: Policy Communication through Intergovernmental Fiscal Relations (2)

1. CCB

Additional funds as matching arrangements

Prescribing process conditions for CCB registration, local dialogue and public access, project approval and monitoring arrangements

A component of the grant would finance incentives for local governments where CCB allocations are provided in time for their projects.

2. **Women councillors** as the arbiters of a specific purpose province grant for women specific projects.

The shares of the local governments in the grant will be based on their proportion of women population

3. **Mushavirat Committee:**

A province grant linked to demonstration of functionality of the **Mushavirat Committee**