



Sindh Development Forum Partnerships for Development

Report on March 28, 2018 Conference Proceedings



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Message by the Honorable Chief Minister



Addressing the development challenge is a daunting task which not only requires political resolve but also collaboration among all the stakeholders for inclusive and equitable growth which is the cornerstone of Sindh Development Forum. This calls for dedicated and concerted efforts in the right direction to lead transformative and sustainable change. For instance, creating equal opportunities for all, and especially, women; increasing access to quality education, health facilities, clean water and sanitation as well as environment-friendly energy options; enhancing the capacity of departments to undertake multisectoral interventions, improve service delivery and be accountable for effective use of resources – these are all critical investments.

I feel great pride that the Government of Sindh (GoS), in collaboration with the USAID, organized the **Sindh Development Forum (SDF) 2018**, which has immense potential to address the challenges of development planning in the province in terms of not only prioritizing the development gaps and creating greater alignment within various departments but also with the partners' development priorities for the province.

SDF, in many ways, marked a *new beginning* towards assuming greater ownership and leadership for development planning and implementation in the province. This initiative has helped us evolve a holistic, inclusive and coherent approach towards the development of the province by incorporating diverse voices from the development community. I look forward to the beneficial outcomes that stem from the useful interactions and deliberations. I hope that the development partners involved in SDF will collaborate with the government on an institutional level to inform decision making at all levels to foster inclusive and sustainable growth in Sindh.

Message by the Chairman Planning and Development Board



It has been a pleasure and insightful experience to organize and conduct Sindh Development Forum-2018. The forum embodied government's resolve to make the planning process more effective by leveraging on already existing strong partnership between government and deepening of partnership areas. The possibilities of synergies are crucial because of emerging trends in the public sector planning process. Some of the obvious trends include increase in multi-sectoral planning, associated multiplier effects, interdepartmental coordination needs, and consequent needs in public finance and monitoring and evaluation. SDF deliberations will help the government in expanding the avenues for undertaking the challenges through collaborative planning and policy formulation.

The Forum provided stakeholders a perfect avenue for dialogue to discuss various issues, key challenges and opportunities associated across the sectors along with knowledge sharing on best practices to improve the physical planning and prioritization of projects and resources. The stakeholders included everyone from the development community ranging from government leaders, donors, members of national, regional and international organizations, non-governmental and community organizations to professionals, academics, practitioners, professionals, theorists, civil society, activists, students and researchers.

Furthermore, the forum presented an ideal platform where the operationalization of Sustainable Development Goals along with development of multi-sectoral strategies was extensively discussed. There was consensus on the incorporation of these cross-cutting strategies along with sector-specific recommendations in the development plans. The recommendations of the Forum would be institutionalized by forming advisory groups for socio-economic priorities of planning. These groups would advise and guide government in improving alignment between investment and development objectives. I am confident that with sincere efforts, the deliberations at the Forum will become the cornerstone of knowledge linkages that catalyzes sustainable development of the province.



SDF 2018 brought together delegates representing provincial government, development partners (international community), NGOs and civil society organizations, business entities, and academia to understand the state of play of development in Sindh, recognize development gaps, formulate common strategies, and establish a broad framework for partner cooperation in Sindh.

This report presents a summary and synthesis of proceedings of the SDF 2018. The views expressed in this report are those of the participants of the Sindh Development Forum 2018. The report documents those views and aims to objectively record the Forum deliberations.

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LIST OF ACRONYMS

AAP	Accelerated Action Plan	PFM	Public Financial Management
ADB	Asian Development Bank	PPP	Public-Private Partnerships
ALP	Alternate Learning Pathways	RE	Renewable Energy
CM	Chief Minister	SDF	Sindh Development Forum
CPEC	China-Pakistan Economic Corridor	SDG	Sustainable Development Goal
EMO	Education Management Organizations	SESP	Sindh Education Sector Plan
GoS	Government of Sindh	SME	Small and Medium Enterprises
HRH	Human Resource for Health	STEVTA	Sindh Technical Education and Vocational Training Authority
ICT	Information and Communication Technology	TFP	Training for Pakistan Project
INSS	Inter-sectoral Nutrition for Sindh	TVET	Technical and Vocational Education & Training
KSDP	Karachi Strategic Development Plan	UC	Union Council
LHW	Lady Health Workers	UCBPRP	Union Council Based Poverty Reduction Program
MIS	Management Information System	USAID	US Agency for International Development
NCD	Non-Communicable Disease	WASH	Water Sanitation and Hygiene
NFE	Non-Formal Education	WB	World Bank
P&DB	Planning and Development Board	WKGS	Working Group Sessions
PEACE	Peace Education and Community Empowerment		

EXECUTIVE SUMMARY WITH DEVELOPMENT PRIORITY HIGHLIGHTS

The Government of Sindh (GoS), in collaboration with USAID, organized the Sindh Development Forum (SDF) 2018 as a dialogue between the government and development partners (international community) in order to coordinate and sustain development initiatives in the province in nine priority sectors. The priority sectors include: 1) Agriculture and Food Security; 2) Economic Growth, Private Sector and Public Private Partnership; 3) Education; 4) Energy and Infrastructure; 5) Health and Population; 6) Nutrition; 7) Public Financial Management; 8) Poverty Reduction and Community Development; and 9) Water Sanitation and Municipal Services. Governance, gender and environment responsiveness were covered as cross-cutting themes.

This Executive Summary offers a synthesis of the breakout session deliberations, where many sector experts—representing the GoS, development partners, academia and other stakeholders—debated issues and identified the sectors’ top priorities for the GoS to address in its growth strategy and to guide the use of GoS resources as well as future donor investments in these sectors.

Cross Sector Priorities for Development in Sindh

Discussion of the major development challenges as well as the broader context of the key developments at the national, regional and global level provided the backdrop for identification of sectoral priorities – e.g., Chinese and Asian development, the China-Pakistan Economic Corridor (CPEC) and other economic corridors; the Sustainable Development Goals (SDGs); 18th Constitutional Amendment; and growing emphasis on Public Private Partnership. There seems to be a convergence on the focus and emphasis of the priorities identified across sectors.

1. Establish Advisory Mechanisms (Such as Think Tanks)

The Government of Sindh Should Use Think Tanks to Provide Information and Advice. In a fast-changing and complex world, several countries have think tanks that advise their governments on important matters; for example, there are six such think tanks in South Korea and 200 in Japan. Discussions within the Water and Sanitation sector and Health and Population sector highlighted the need for a broad and multi-disciplinary advisory role or mechanism. In the context of Sindh, the Sustainable Development Goal (SDG) Unit, already established in the Planning and Development Board (P&DB), can act as a think tank for the GoS.

2. Performance-Driven and Output-Based Paradigm

The Development Paradigm in the Province Needs to Shift to a More Performance-driven and Accountability-based Regime. This will allow for effective planning and greater outcomes. For instance, there should be output-based budgeting linked with development goals; the Government’s current budgeting system does not account for any forecasting and does not have clear outcomes for the various development schemes. Overall job security in the public sector needs to be linked to performance; e.g., teacher performance should be linked to students’ learning outcomes (based on regular assessments).

3. Knowledge-Intensive Interventions/Development; Evidence-Based Planning

The Government of Sindh Should Use Knowledge-driven and Evidence-based Development, Planning and Execution. For example, the transformation of agriculture and reduction in production costs for increased exports requires knowledge-intensive agriculture, which implies strengthening of the research and extension services in agriculture, irrigation, livestock and fisheries departments. The agriculture researchers should engage in applied research, e.g., gene-based research, study of efficient use of pesticides and food preservation. The fisheries sector needs information on new species or varieties vis-à-vis from saline or brackish water. Furthermore, effective public financial management entails collection of credible macroeconomic data for budget forecasting and budgetary decision making. Efficient service delivery in relation to water, sanitation, and municipal and energy sectors relies on quality and real-time data regarding household requirements of water consumption and energy consumption. Effective implementation of the Accelerated Action Plan (AAP) necessitates that the reliability and inter-operability of the Management Information System (MIS) be improved.

Thus, the existing evidence gap is reflected in the limited access and use of data in planning, resource allocation, management decision making, monitoring and accountability; this gap needs to be addressed.

4. Sharpening Focus or Refocusing

The Government of Sindh Needs to Focus Its Intervention. There is a growing realization that government intervention should be very focused and targeted. For example, the current size of the school portfolio (around 50,000 schools) is considered unmanageable and an “inherited structural issue” needing rectification.

5. Public Private Partnerships (PPP) For Improved Service Delivery

The Province Should Encourage Increased Public-Private Partnerships. The PPP Unit/Node within the School Education and Literacy Department is effectively outsourcing school education management to private sector operators through the Education Management Organisations model, and the innovation is promising. However, in order to realize the potential impact of PPPs on enhancing educational outcomes in Sindh, it is imperative that the PPP Node develops sufficient capacity to meet its mandate. Other social sectors, such as municipal service delivery, could be outsourced to a private sector operator as well, but this would require capacity building of the PPP Nodes in other departments so that they become well-staffed, transparent, competent and well-resourced.

6. Promote Market Mechanism; Strengthen Value Chains

The Sindh Government Needs to Develop Value Chains with a Greater Focus on Demand-driven Capacity Building. This will allow it to address issues of reduced revenue and exports. The reform trajectory is laden by dominantly input driven (supply side) projects and initiatives, e.g., crop production without understanding the local or global market or limited creation of businesses and employment opportunities for youth. The lack of focus on demand, market needs, outcome-based input or value chain results in wastage of resources in the system. The value chain looks at agriculture as a business and as a system, and at the relationship and value at

each point in this chain - production, processing and export. Therefore, agriculture policy should reflect private sector interests and value chain linkages. The GoS will work with the private sector for investments and partnerships and with federal bodies such as the Trade Authority to help open new markets for Pakistani produce for all value chains. The sector will also be supported through improved research, better land tenure, integration through Information and Communication Technology (ICT) and an improved overall business environment. Increased linkages between urban and rural areas will help minimize urbanization and improve rural employment and business activities. Investment from both public and private sectors will help in filling the gap that results in lack of agriculture production.

7. Capacity Building and Human Resource Management

The Province Must Make Effective Use of Its Human Resources. Capacity building and effective management of human resources in the province is an important priority, which is linked to sustainability and quality of service delivery. Limited execution capacity of the public sector staff in Public Financial Management (PFM), lack of skilled labor, limited capacity for research and extension in the agriculture sector, etc. – these gaps need to be addressed urgently. For community outreach and advocacy in the case of the health and nutrition sector, not only is there a need to enhance the number of Lady Health Workers (LHWs) for ensuring complete coverage in all districts, but also effective management and utilization of the existing LHWs.

Sindh needs to focus on “skilled” (and not “cheap”) labor. One implication is that workers need to learn the latest technological innovations. This, however, implies that the Technical and Vocational Education and Training (TVET) institutes also need capacity building to deliver. Enhancing PPP to contribute to skill development is one viable path. There could be different models for skill development – one could be an incubation model; another could be an apprenticeship model, i.e., bringing “*ustaaads*” and small informal workshop owners into the formal fold through skill development institutes for practical skill development. Moreover, human resource development in both research and extension services is critically important (e.g., develop more capacities in food science, evaluation of policies, etc.).

8. Systems Thinking - Integration, Alignment, Coordination and Linkages

Coordination Across The Government Is Vital To Success. Enhanced Integration (E.G., Multi-Sectoral Interventions), Improved Coordination And Strengthened Institutional Linkages Within And Across Departments And With The Development Partners As Well As Other Stakeholders Is A Major Priority Across Sectors. Representative Examples Include The Following: “Integrated Water Resource Management”; “Integrated Energy Plan”; Integration Of All Vertical, Preventive Programs For Health; And Strengthening Institutional Linkages In Agriculture, Irrigation, Livestock And Fisheries. Integration Is Viewed In Terms Of Both Content (Thematic Or Programmatic) And Structure (Institutional); It Also Implies Participatory Processes, Such As Participative Budgeting Processes To Ensure Realistic And Transparent Budgets Through Engagement Of Stakeholders Throughout The Process. It Also Implies Creating Linkages Between Development Expenditure And Non-Development Expenditure, As Well As More Alignment Between The Line Departments’ Action Plans And Their Long-Term Strategies.

Limited Inter-Linkages and Coordination Are Evident At Different Levels of the Organizational or Governance Hierarchy (E.G., Between Federal And Provincial Level, Provincial And District Level, District and

UC level); within and across various departments of the GoS; between the public and private sector; and among the development partners. The coordination gap results in fragmentation and wastage in the system. The issue of coordination between the Planning and Development Board (P&DB) and line departments (PFM sector) and the coordination issues affecting implementation of AAP in nutrition sector are some representative examples.

9. Population Planning – Pakistan and Sindh’s Future Depend on Family and Population Planning

The Government of Sindh Must Confront Family Planning and Population Challenges. Investment in family planning and confronting population issues is extremely critical. If Pakistan in general and the Sindh Government in particular fail to undertake comprehensive and effective family planning, virtually all gains in development will be threatened. Some progress has been made, but the extent of population growth every year is daunting; such growth continues to contribute to the tremendous depletion of very scarce resources.

10. Enhanced Use of Technology and Innovation

The Government of Sindh Needs to Encourage Effective Technology Use. Active use of new learning technologies and alternative or accelerated pathways to education and learning (focusing on over-aged or out of school children in the education sector); rewarding “innovations,” particularly in the Small and Medium Enterprises (SME) sector; and modernising agriculture systems by using technology such as drip irrigation systems for water conservation and land management through climate smart agriculture, are examples of enhanced use of the latest technologies and innovations. With reference to the SDG, “promotion of innovation entrepreneurship,” there is a consensus around developing a culture of innovation and entrepreneurship in Sindh by promoting ease of doing business; i.e., incentivizing and a culture of rewarding innovation.

11. Ease of Business and Enabling Environment for Economic Growth

The Government of Sindh Must Establish an Enabling Environment for Business. Such an environment at the general level implies political, economic and social stability as a prerequisite. At the sector level, it implies a legal and regulatory environment – e.g., how the Wholesale Market Act affects the way business is done or subsidies are provided. Re-visiting these old ideas regarding tariffs or import regimes is another aspect. Efficiency of the system is the third element, or how fast, painless and cost effective it is to set up a business (e.g., getting a license for fishing). For the private sector to contribute to growth in Sindh, there is a need to create an enabling environment where the private sector feels comfortable and creates value chains so that they get a good return on investment.

In agriculture, an enabling environment implies the following: addressing political socio-economic volatility that impedes growth; strengthening the land tenure system (secure, transparent, access to credit and insurance) and land reforms, alongside trade policies (non-distorting, stable, enabling easy access to global markets) and integration of agriculture sector donors. Livestock should be integrated with crop production to meet the needs of an increasing population and thereby implementing food standards and phytosanitary measures. In the fisheries sector, there is a need to create an environment of positive incentive for investors to step forward.

The improved law and order situation since 2013 has contributed to improved business and consumer confidence in Sindh and especially in Karachi. Additionally, the commitment on the part of the GoS to ensure ease of business will also create a positive impact on promoting economic growth in the long run. There is a current need to incentivize the industry in technical and operational terms rather than monetarily (e.g., manage things through bylaws and regulations), ensure access for foreign investors to procedural details, etc.)

12. Sustainable and Inclusive Growth

The Government of Sindh Needs to Focus on Growth That Is Equitable, Gender and Climate Responsive, and Contributes to Poverty Reduction in Sindh. Sustainability and scaling up of reforms across the province emerged as an important consideration; recent reforms in the nutrition sector (Stunting Prevention Program) have shown positive results in two districts, but replicating and scaling up this success in other provinces is a challenge. Equity in gender implies girls' enrolment and retention especially post grade five, 'gender responsive' budgeting and the need to tap women's potential as part of the economic growth agenda in Sindh. Future budgeting exercises should be undertaken with a clear gender lens as well as taking into account climate change and its impacts on the province.

Along with poverty reduction, the social protection side of economic growth also needs to be taken into account (i.e., review of the labor policy, not just for the formal sector but the informal sector also); 73% of the workers are completely disconnected from their social security rights. The focus should be on reducing inequalities and promoting productivity, such as through social protection programs.

Sustainable and climate responsive priorities include the following: focusing on energy efficiency and conservation (starting from government buildings); tapping indigenous energy resources (renewables and gas); promoting sustainable management of agriculture resources including land and water; providing subsidies for rehabilitation of land for agriculture use; developing high-quality seeds (germplasm) adaptable to climate change; supporting improved practices such as high-efficiency irrigation and crop rotation; organizing better licensing and implementation of health and safety laws geared towards climate-smart resource utilization; creating better-adapted breeds and seeds; and conserving resources, especially in fisheries.

Climate-smart water management is a top priority for Sindh, as water insecurity is one of the most critical issues needing immediate and urgent response. Some proposals include improved water pricing and taxation (i.e., economic incentive to use water more efficiently), as well as governance and efficient management of water use, which includes generating a balance between water for agricultural (major consumer) and urban use. The water consumption for agriculture needs to be reduced from 90% to 70% or less as a critical target.

13. Advocacy and Awareness Raising; Community Based/Focused Engagement

Sindh Must Raise Awareness and Engage the Community to Address Problems. In order to reduce malnutrition, wasting, stunting, anemia, and micro-nutrient deficiency, more social protection programs and a wider social behavior change dialogue are needed. Multiple stakeholders need to be engaged to reach out to the community at large and at a faster pace. Outreach can be enhanced through effective management of the LHWs, strengthening and integrating extension services, engaging media for a positive role and inviting politicians to

provide advocacy of critical issues (e.g., malnutrition or water shortage issues) as part of their manifesto and political campaign.

14. Governance and Accountability

Effective Governance and Accountability Measures Are Needed in Order to Make Progress. Good governance, in a way, subsumes accountability; yet, accountability still merits a separate highlight due to the emphasis placed on it during the Forum. Effective service delivery in the province requires that the “structure of government” is reformed at the provincial and sub-provincial levels. The crux of the reform is decentralization, both administrative and fiscal, which involves providing more resources and empowerment at all levels of authority, including the district and Union Council (UC) level. Non-Formal Education (NFE) and Alternate Learning Pathways (ALP) programs are essential components of the education system and can play an important role in improving overall education levels in the province. NFE and ALP require effective functional units at the district level that are made accountable for ensuring results. Education is the stated top priority of the GoS, and the capability to effectively implement the Policy on NFE will be crucial to meeting the needs of the province as well as fulfilling the constitutional requirements (Article 25A & Article 37B) and international obligations (SDG 4). Effective delivery of services requires effective governing institutions at the district and local levels, which requires various reforms to be undertaken as outlined in the report.

15. Efficiency - As The Management Principle

The Government of Sindh Should Improve Management of Scarce and Valuable Resources. Efficient allocation, utilization and management of resources need to be a key consideration. The availability and allocation of resources is sub-optimal; currently there is multidimensional poverty, not distributed equally in the country. There is also the issue of the untimely release of budgets as well as the capacity of departments to utilize budgets within the time frame (e.g., unspent or under-utilised budget). The most critical issue for the province, however, is the inefficient use and management of existing resources, which is reflected in the case of water and energy use, which continue to be subsidized rather than supported through adequate user fees.

16. Focus on Small and Medium Enterprises (SMEs)

Government of Sindh Policies Are Tilted Toward Large-Scale Industries. Access to policy corridors is also skewed towards large-scale industries. Thus, for any policy making, the GoS needs to take into account that 95% of businesses are SMEs.

The Way Forward

The Way Forward section of this report proposes possible next steps, not only in terms of a mechanism for follow-up but also the institutionalization of SDF as an integral part of development planning in Sindh to inform the development agenda. The proposed mechanism identifies follow-ups at three different levels: immediate, intra-sectoral and inter-sectoral. Sustaining these mechanisms over a period of time, it is envisaged, will bring

the desired transformation in the development practice. The key is that SDF should not be considered as an event, but as a process with specific actions that are undertaken, monitored, and evaluated prior to hosting the next SDF. It is through these concrete and measurable actions that development within the province will ensue.

Management of Knowledge Generated

The practical knowledge generated through SDF 2018, in the form of sector papers developed by specialists (from both GoS and development partners) and intense conversations in the sector-specific working groups, needs to be carefully captured. This knowledge can be converted into sector-specific strategy papers as a basis for future development actions/ plans.

Thematic Advisory Boards

Setting up of sector-specific advisory boards for pre-budget discussion and advice on socioeconomic directions and priorities for the budget is a logical post-SDF course of action. This would pave the way to move away from ADP-based budgeting toward a shared and well-thought-out growth strategy.

Follow-Up Meetings: Sector-Based and Inter-Sectoral

The report has proposed a follow-up mechanism for reflection in sector-specific groups to help in detailing a mechanism to institutionalize SDF and identify categorically the recommendations as short-term, mid-term and long-term goals, so that these can convert into action points for effective implementation and sustainable outcomes.

Enhancing SDG Unit's Involvement and Alignment

The SDGs Unit, already established in Sindh, could further be strengthened to enhance alignment and coherence for development planning and interventions in Sindh.

Introduction

SECTION I

Introduction, Conceptualization and Design

The current report presents a summary and synthesis of proceedings of the Sindh Development Forum (SDF) 2018, held on March 28, 2018, followed by suggestions for the way forward. This brief report of the event serves to provide the necessary inputs for subsequent deliberations by the Planning and Development Board (P&DB) and relevant stakeholders. The conference was funded by the US Agency for International Development (USAID) through its Training for Pakistan project.

The main report consists of five distinct sections. Section One includes a description of the conceptualization and design of the SDF so as to highlight the key intentions and attentions of the framework.

At the conclusion of the main report, the annexed section presents details of the SDF deliberations in terms of each of the nine development priority sectors for specific reference. This annex consists of a mixture of word-for-word participant contributions, as transcribed from audio recordings, and summaries of notes taken.

1.2 Sindh Development Forum 2018: Conceptualization and Design

This section offers a brief description of the concept of SDF – its core purpose, envisaged

event and, therefore, this report as well. The process of evolution and planning of this conference is a critical aspect in understanding the outcomes of the SDF. Sections Two and Three present a synthesis of key proceedings of the event in terms of deliberations at plenary sessions and breakout sessions respectively. A way forward is proposed in Section Four, which provides the basis for follow-up with key stakeholders through a rigorous and consultative process. The main intention of this section is to ensure that the SDF outcomes are converted into concrete actions leading to institutionalization. The report includes a dedicated section (Section Five) on assessment of the quality of this event based on Cassidy's (2015) outcomes and conceptualization, inclusive of the design decisions and their rationale.

1.2.1 Conception of SDF

The Chief Minister (CM) of Sindh proposed that a dialogue be convened between the Government of Sindh (GoS) and development partners in order to coordinate and sustain development initiatives in the province. The sustained dialogue, titled the Sindh Development Forum, is viewed as a symbol of a new beginning towards assuming greater ownership of and responsibility for the province's

development agenda¹. It was conceptualized as a forum to advise the GoS and partners on the priorities and strategies on a recurring basis. In the long run, SDF is envisaged to help transform the nature of development planning in the province into a more proactive, coherent and strategic endeavor.

1.2.2 Objectives and Envisaged Outcomes

The conference aimed to bring together delegates representing development partners (the international community), NGOs and civil society organizations, business entities, academia and provincial government to a) understand the state of play of development in the Sindh province,

recognize development gaps, and formulate common strategies for the development of Sindh; and through this process, b) establish a broad framework for partner cooperation in Sindh for the next ten years.

1.2.3 Development Priority Sectors

The GoS, through extensive deliberations, identified nine key sectors as the core of Sindh’s development agenda. The priorities areas range from “basic human needs including nutrition, education, and healthcare, to macro-priorities including energy, economic growth, and public financial management.” The priority sectors for SDF deliberations are listed below in Figure 1.

Fig. 1 SDF Priority Sectors

Governance, Gender and Environment Awareness – these were to be addressed as cross-cutting themes under each sector.



¹ The Government of Sindh’s work-in-progress on ‘Sindh Growth Strategy’ is one such representative example.

1.2.4 Design Considerations

SDF’s launching event had been designed based on a long, careful and creative dialogue among different stakeholders – the P&DB, GoS; USAID; World Learning (as implementer of USAID’s TFP project); and the international community (the development partners). There were several challenges during the design of the event; the major one, however, was to deal with the prevailing perception of the futility of such initiatives as one-off events resulting in limited sustainable outcomes. Securing meaningful participation and engagement, therefore, was a real challenge. Second, the event required coordination at numerous levels within the public sector hierarchy and between public sector and other key stakeholders (including development partners). All these challenges informed and shaped the design of the conference. Box 1 below highlights the key design considerations.

1.2.5 Preparatory Work

SDF was conceptualized as a very serious event, which is reflected in the frequency and rigor of preparatory meetings, some of which are listed below.

Pre-SDF Meeting with Development Partners

A pre-SDF meeting was convened in Islamabad on January 31, 2018 between P&DB and the international community in order to develop consensus on the main objectives of the SDF and invite not only participation, but also engagement with SDF objectives and envisaged outcomes.

Box 1
SDF Design Principles

- **Developmental Design:** Each activity of the conference should build on the previous activity/session, and feed into the subsequent one.
- **Engaging and Participatory:** The design should focus on creating engagement and active participation among the participants.
- **Democratic Format:** Allow open conversations and honest (critical, but constructive) reflections. It should be more of a dialogue rather than a series of presentations.
- The overall tone and discourse of the program should be positive and geared towards action-orientation.

Sector Papers

As input into the sector-specific deliberations, detailed sector discussion papers were prepared by the GoS with the help of the nominated Sector Specialists. These papers offered a sector specific overview with the following core content: Background and context; GoS top five sectoral priorities (their current situation, development goals and targets); key successes and unsuccessful strategies/ activities; current gaps in existing mechanisms and frameworks for addressing performance/ policy gaps; and important factors for consideration in the next 5-10 years. The development partners also shared papers along similar lines, but highlighting more specifically their sector-specific strategies, key achievements and major challenges.

Other Stakeholder Meetings

A practical design challenge was to create a fine balance between the keynote speeches pitched at a strategic level and the more detailed working groups' deliberations in such a way that neither was compromised, and that there was sufficient time available for group deliberations and consensus seeking. This necessitated several meetings of the core working group members in advance of the actual event. The organizing team also prepared

detailed guidelines for the panelists, moderators and note takers for shared understanding of the conference outcomes and deliberations. Two important meetings were conducted with all the panelists, the breakout session moderators and the rapporteurs, followed by a dry run of the event on April 27, 2018.

1.2.6 Overall Structure of the Conference

The overall structure of the day included two plenary sessions – the opening plenary session as a preamble to working group's deliberations – and the closing session as a synthesis and follow up on the working group sessions (the breakout sessions).

- Plenary Session

Fig. 2 Structure of the SDF Conference

The Working Group Sessions (WkGS) were the main element of the conference. The broader aim of these sessions was to help in developing collaborative strategies, based on a rigorous analysis of the state of play in the sector and identification of the sector-specific priorities informed by the lessons learned from key successes and challenges of the sector. The discussions and recommendations arising from the forum are envisaged to contribute to the GoS and international partners' development plans for the next five to ten years

Fig. 2 Structure of the SDF Conference



Structure of the Working Group Sessions

Each working group comprised of 15-20 active members with relevant domain expertise and experience, and invited from the public sector,

development partners (international and local), academia and civil society. Each working group session consisted of three distinct but interrelated sessions, which are listed in Table I below.

Table I: Structure of Working Group Sessions

Thematic Sessions	Key Discussion Points	Key Deliverables	Time Allocated
SESSION ONE Overview of State of Play in the Sector (Sectoral Analysis)	What are key successes (analysis of what has worked and why) and challenges (analysis of what has not worked and why) of the sector, and What are the key priorities (05) of the sector?	05 Priority Areas in the Sector	1.5 hour
SESSION TWO The Near Future: Developing Joint Strategies and Areas for Collaboration	What are the development challenges that can be addressed jointly (for the next 5-10 years) by the GoS and the development partners (areas of collaboration), and how (joint strategies)?	Areas for Collaboration and Joint Strategies	1.0 hour
SESSION THREE Synthesis	Develop consensus on joint strategies that can be employed to address the identified development challenges.	Joint Strategies for Collaboration vis-à-vis 05 priority areas identified	0.5 hour

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SECTION II

Synthesis of Plenary Sessions

An important feature of the event was keynote speeches made by higher-level public office bearers and development partners. This section, therefore, synthesizes the speeches made at the strategic level in the opening and closing ceremonies.

2.1 Keynote Speeches by the Public Sector

The Chief Minister of Sindh, Minister for the Planning and Development Board, Chairman of the Planning and Development Board and Chief Economist addressed the audience and provided macro insights and pointers for deliberations. The crux of their contributions can be categorized under the following themes.

Profiling of the Province

In their keynote addresses, both political and bureaucratic leadership talked about the peculiarities of the development context. In some cases, the speeches, while describing the context, bundled some interesting themes together. For instance, the Minister of P&DB described:

“With a population of more than 40 million, and being the most urbanized province of the country, Sindh enjoys the civilization which dates back to more than 5000 years. And let me share with you that the city

hosting this event - Karachi - used to be a small town of fishermen. It has now transformed into a city bigger than almost 45 countries of the world.”

The description touches upon civilization and size of the province. The dominant purpose seems to be highlighting the uniqueness of the province and importance of partnership in this context. Similarly, the Chairman of the P&DB provided a very optimistic context of the province by describing Sindh as a “resource rich province,” a power house (producing 71% of total gas and 44% of total oil produced in the country, with an estimated capacity for generating 50,000 MW of wind power and 10,000 MW of solar power), with “a long coastal belt” with two sea ports, and a diversified economy with a resilient business community. The Chairman also asserted that the environment of the province is conducive for public private partnership.

Acknowledgement of Partners’ Contributions

Nearly all speeches carried a message of acknowledgement of the development partners’ contribution. The Chief Minister of Sindh started his speech with the following: “I am thankful to all participants and, especially, our development partners who conceded to my request of strengthening our partnership.” Likewise, the Minister of the P&DB

mentioned that SDF 2018 is “to commemorate the decades old partnership among the Government of Sindh and our distinguished development partners.” In the same spirit, the Chairman of the P&DB, while welcoming partners to the conference, emphasized that SDF 2018 is based on the premise that a robust development agenda is only possible by forging mutually beneficial partnerships.

Expectations from SDF 2018

The speeches by public sector leadership also articulated expectations from the event. The CM of Sindh eloquently described his vision for SDF:

“I envisage SDF leading into some institutional form giving sound and timely advice to government, especially ahead of the annual development plan. Moreover, I also expect that knowledge gaps may lead to some research collaboration between government and academia. This will not only improve government capacity but also increase the links between academia, development partners and government.”

The CM unequivocally asserted the need for institutionalizing SDF. He mentioned the need to link the development budget with experts’ advice and also mentioned research as a bridging node among academia, development partners and government. The Chairman of the P&DB also announced that the Sindh Development Forum will be sustained.

2.2 Keynote Speeches of the Development Partners

All key development partners participated in the event and shared their insights about Sindh. The speakers included representatives from USAID, World Bank, EU, UN and ADB. The focus of the speeches included, but was not limited to, the following aspects:

Appreciation of the Initiative

An important focus of the speeches was to appreciate and acknowledge collaborative efforts on the part of the GoS and international development partners. UNCT specifically acknowledged USAID for its role in “reaching out to the development partners and other relevant stakeholders, for strengthening the development agenda in Sindh and for adopting an inclusive approach for the elaboration of the growth strategy.” A USAID representative equally acknowledged the “diplomatic and development colleagues from multiple agencies and donors who collaborated closely with the Sindh Government to bring all of us together.”

Sharing of Successes in Sindh

Given that international partners have a history of collaboration with GoS, different partners highlighted their success in furthering the development agenda in Sindh. The success stories range from policy initiatives to concrete construction in different sectors. Some of the key successes mentioned in the speeches are highlighted in Box 2.

Box 2

Development Partners' Success Stories in Sindh: Representative Examples from Speeches

- UNCT has contributed towards polio eradication: In 2017, there was a 97% drop in the registered number of polio cases in Sindh.
- USAID has trained nearly 50,000 health workers since 2010, resulting in a five-fold increase in the number of women seeking health care.
- Over 45,000 severely malnourished children in Sindh were treated in 2016-2017 (UNCT). In Jacobabad, USAID is helping to restore and refurbish water supply and sewer systems.
- USAID has agreed to construct 112 new schools in flood-affected areas. Construction of the first 33 schools is already complete.
- Development and approval of Provincial Drinking Water Policy and the Sanitation Policy (UNCT).
- USAID has also funded the rehabilitation of the Guddu and Jamshoro power plants and supported transmission lines which will deliver more power to the grid, and ultimately to businesses and homes. The deliberations and proceedings should be well documented.

Suggestions for Sustainable Development and Growth

The speeches of the development partners, while acknowledging serious development challenges in Sindh, highlight the appropriateness of the approach taken with the SDF: As stated by the U.S. Consul General, the province “has many of the right ingredients to make success a real possibility.” Emphasis was placed on gender and women’s empowerment. The UNESCO representative asserted that “evidence from around the world shows that higher female earnings and bargaining power translates into greater investment in children’s education, health and nutrition, which leads to more

robust economic growth in the long term.” In addition to gender, two other suggestions were made: i) improving governance; and ii) further strengthening partnerships.

The Overarching Theme: Let Us Continue!

The majority of the keynote speakers emphasized: *Let us commit to maintaining dialogue and identifying systems, processes, mechanisms, and linkages in order to continue this important work.* The event was not seen as one-off, rather as a foundation to address deeper development challenges in Sindh.

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SECTION III

Synthesis of Sector Specific Deliberations

This section of the report presents a summary and synthesis of the sector-based deliberations in terms of the following: a) key issues which are similar across sectors; b) patterns of successes and achievements; and c) priorities and strategies that reflect common emphasis across sectors. Cross-cutting areas or themes such as gender, governance and climate-awareness are also discussed.

3.1 Key Successes and Achievements

The SDF deliberations (including input through sector papers) highlighted a number of key successes and achievements that the province has witnessed. Improved law and order, direction setting (i.e., legislation, policy framework and planning), structural/institutional development, resource mobilization and investment are some indicative areas (detailed examples provided below). Sindh has also moved from legislation to implementation in various areas, where some of the interventions undertaken are of a pioneering nature, such as EMOs in education.

3.1.1 Improved Law and Order Situation

The law and order situation has improved substantially since 2013 due to provision of substantial resources to law enforcement agencies in Sindh in terms of mobility, surveillance, arms, safety, etc. The drop in crime has contributed to

improved business and consumer confidence in Sindh, especially in Karachi. The improved situation has evidently had a positive impact in the province in general, but especially in terms of promoting economic growth.

3.1.2 Direction Setting: Policies, Strategy Papers and Studies

A common aspect often claimed as “success” is the leadership that Sindh has generally been demonstrating in developing appropriate legislation and policy frameworks. There seems to also be a growing emphasis on taking sector-wide approaches towards planning and strategizing (e.g., sector plans). Sector papers or strategies include, for example: Health Sector Strategy Sindh (2012-2020); Sindh Education Sector Plan (SESP) 2014-2018; Inter-sectoral Nutrition Strategy for Sindh (INSS) 2013; Public Financial Management Reform Strategy; Budget Strategy Paper; Karachi Strategic Development Plan (KSDP) 2020; Urban Development Strategy for Sukkur and Larkana; and Sindh WASH Sector Plan.

In terms of legislation, preparation of a draft PFM law provides one example. Policies include the following: Energy Policy; Sindh Agriculture Policy and Strategy; Sindh Drinking Water Policy; Sindh Sanitation Policy 2017; and Land Grants Policy 2015. Planning documents include these: Public

Financial Management Action Plan; Karachi Water and Sewerage Master Plan; Hyderabad Master Plan 2027; and Development Master Plans of District Headquarter Towns.

Some planning manuals have also been developed, such as the Planning Manual for the P&DD to provide guidance on selecting, appraising, managing and monitoring public investment projects, and a Quality Manual on FP Services in Sindh has also been approved. Studies include the following: environmental and social studies; land use plan and resettlement framework for Thar Coalfields; and a study for development of a water master plan (including hydrogeological, water supply and wastewater studies). Moreover, a monitoring dashboard has also been put in place in the P&DD for management of the development expenditure (PFM).

Despite the challenges faced in terms of implementation, the above initiatives are indicative of efforts and steps in an appropriate direction to streamline systems and processes.

3.1.3 Structural Development (Institutional Infrastructure)

Structural reforms include the institutional infrastructure building – such as the establishment of Public Private Partnership (PPP) Unit, Sindh; Directorate of Urban Policy and Strategic Planning; Alternate Energy Board; Debt Management Unit (in the finance department); and Internal Audit Function in line departments. Examples of institutions working with a “restructured mandate,” in the post 18th Constitutional Amendment scenario, include DCAR, STBB, STEDA, DTTI and PEACE.

3.1.4 Resource Provision/ Investment (by GoS, Development Partners)

Achievements of the GoS are also described in terms of significant investments from private sector and multilateral donors in housing, infrastructure, energy, health, education, urban transport and others. Some sector specific examples include: Investment in secondary cities and farm to market roads; establishment of the Sindh Alternative Energy Fund in 2014 for the promotion of Renewable Energy (RE) technologies and development of RE projects; and supply of electricity (590 MW, through 12 Wind IPPs) sponsored by local and international investors, including China’s Three Gorges Corporation. Furthermore, in order to address the issue of stunting in the province, GoS has allowed for a fast-track resource allocation via recurrent budget rather than the existing bureaucratic and time-consuming process of development allocation through PC I and ADP. The availability of substantial resources through the GoS as well as development partners (WB, EU, and others) was triggered due to political support and commitment.

The GoS reflects a growing awareness to open up dialogue with the key stakeholders and move towards more participatory approaches, which is also reflected in the design and conduct of the Forum. A more proactive approach is also evident in many areas, including actively seeking out the support of the development partners.

3.2 Key Issues across Sectors

In all of the sectoral deliberations, key issues were identified and highlighted in explicit terms. The clear and strong articulation of the issues reflects a

consensus among the stakeholders on what the key challenges are that need to be addressed in order to make concrete progress in Sindh. The challenges are listed below in terms of gaps (not sequenced by significance or priority).

3.2.1 Implementation/Performance Gap

Though several legislative initiatives (such as the PPP Act) have been passed by the Sindh Assembly and many good policies developed and approved by the GoS, they do not always get implemented, or the implementation is not as effectively carried out as envisaged. This is one of the key issues highlighted consistently across sectors. This issue has close association with a host of other issues, such as poor monitoring and lack of accountability. The following comments made during working group deliberations reflect different shades of this issue of implementation gap:

“...Sindh is known for being very quick in developing good policies, but weak on implementation and extremely weak on enforcement...”

Economic Growth

“There is nothing drastically wrong with existing policies. Our core challenge is implementation.”

Health

“Implementation structure is there but it is not functioning. We must relook at implementation structure to make it work some way. There

is a heap of policies with no implementation.”

Education

“There is a need for change in the planning paradigm – planning at bottom and implementation by the top. We must get away from supply-side thinking.”

Poverty Reduction

However, in some cases more positive expressions were used, such as, *Sindh has shown its commitment through policy formulation, and now implementation must be ensured.*

The discussion in the Nutrition sector indicates that although Sindh was the first province to implement its nutrition plan, institutionalization of the plan is required. PFM sectoral discussions identify the lack of implementation on Public Procurement Policy. Likewise, it was noted that while the *Poverty Reduction Strategy* is already in place, it needs revisions and effective implementation.

3.2.2 Sustainability and Equity Gap

A related concern regarding implementation of policies and plans is the question of sustainability and equity of reforms. For instance, it was mentioned that the reasons for malnutrition in Sindh have been addressed by the government but those programs are limited to nine districts and need to be scaled up (Nutrition). In regards to PFM, this point was also debated. It was noted that many initiatives were undertaken in the past but could not be sustained; there is a project every two years but the moment the project ends, everything evaporates. And, therefore, the broader questions

asked include: “How can we sustain our initiatives and make them systemic?”

Another dimension of sustainability relates to environmental concerns. For example, the discussions in the Energy and Infrastructure sector argued for integrating a climate perspective while developing plans for energy and a greater focus on exploration of renewable energy. Likewise, certain measures were suggested to ensure sustainable water management such as “water pricing” (Water and Sanitation; Agriculture). Some explicit references to equity were also made. These include the following: stressing the need for “gender responsive budgeting” (PFM); tapping the potential of women as part of the economic growth agenda; and girls’ enrolment and retention, especially retention of girls after Grade five (Education). The social protection side of economic growth also needs to be taken into account – this implies that the labor policy needs to be looked at, not just for the formal sector but also for the informal sector. The focus should be on reducing inequalities and promoting productivity, e.g., through social protection programs, as 73% of the workers are completely disconnected from their social security rights.

3.2.3 Coordination Gap

The sectoral discussions, at various points, are indicative of the limited inter-linkages and coordination between and among sister organisations or organizations working on similar issues, or between different levels of the organizational or governance hierarchy – e.g., between federal and provincial level, provincial and district level, district and Union Council (UC) level. The discussions in the Water and Sanitation sector

proposed to establish an institution which could undertake a regulatory role and, thus, facilitate coordination among different actors in the sector. The discussions in various sectors (e.g., Energy and Infrastructure, Economic Growth, PFM) highlighted the issue of disconnect between federal and provincial level.

Other examples include the following: lack of coordination with other ministries, such as the youth ministry to solve youth challenges (Education sector), and lack of coordination among departments (noted in the Health sector discussions). In the Nutrition sector, many issues were raised regarding the need for integration, coordination and institutional linkages – e.g., coordination is required at the district level, along with communication and strengthening of departmental linkages, as reflected in the following comments:

“There is still a lot of silo attitude between the departments.”

“AAP is an instrument which is implemented by the Taskforce Secretariat. However, currently, it seems as if we have taken a unit from each department on loan and that unit has really no connection with the Secretary or with the administration department. The ownership by the administrative departments is lacking.”

Divergent and independent directions taken by various development partners were also identified as an issue in the Nutrition sectoral discussions (the

EU project was seen as an exception, though, a rather good example of coordination). The concern is reflected in the emphasis placed on integration of nutrition-related activities through taking a multi-sectoral, multi-stakeholder-based approach. One of the development partners' representatives observed:

“There is some coordination, but we are not coordinating at the input level. We are not developing synergies - donors' coordination is a myth in this country.”

“It seems also that between the stakeholders – beginning with the development partners – that are very close to the government and that are non-governmental, there is more need for coordination and cooperation and communication.”

The focus on integrated programs among sectors, along with better administrative and integration plans for Union Council, was also part of Poverty Reduction group deliberations. Likewise, the Public Financial Management sectoral group also dedicated time to this issue, highlighting a lack of linkages between current and development components of budget, and the need to create links between development and non-development expenditure. It was also pointed out that the programs or long-term strategies of the line departments often do not get translated into the budgetary process. More alignment is needed in this regard as well as in synchronizing the efforts of all the departments, especially in the social sector, where they seem to be moving in different directions, creating challenges for the yearly

budget-making process. A relevant comment is quoted below:

“...what I see is a strong planning department at the provincial level, but you have line departments and the social sector that works centrally. In the planning department, you also have sectoral departments that do not always coordinate with the line departments.”

3.2.4 Capacity Gap

The issue of capacity, both at the individual and institutional level, was a consistent concern. The capacity gap was linked to sustainability, quality assurance and quality of service delivery. The reflections in the Health sector (doctors, nurses and paramedics are “not up to the mark”; the quality of education and training is very poor) and Education sector (“Do we have professional know-how and capacity to deliver?”) are indicative of the capacity gaps. The institutional dimension of capacity is also highlighted in discussions, for example: “In Sindh, capacity at all levels is an issue, including technical capacity” (Water and Sanitation). In PFM sectoral deliberations the issue of capacity also surfaced many times – e.g., the need for building “execution capacity” of the public sector staff in PFM and that of the District Education Officers' (DEOs):

“We have been doing capacity building for decades, but how do you sustain capacity building at the execution level - at the line department level, at the districts?”

“We have been talking about PFM at the provincial level but when we came at the district level, we noticed somebody who had been a teacher all his life and had just become a headmaster a year ago and was assigned responsibility to spend money. They don’t have the capacity to spend, even if it is three or four thousand rupees.”

The issue of capacity as “missing skills” was also noted:

“We do not have nephrologists. In addition to that, very few Infectious Disease Specialists (IDs) are available.” Health

3.2.5 Credibility Gap

Despite huge progress in terms of policy development and resource investments by GoS, the credibility gap still exists – the credibility of the public sector in service delivery. For example, there seems to be a consensus now that the public education sector remains the last choice for even the poorest strata of society. This issue was reflected in some of the discussions in the PFM sector, such as the issue of transparency and effectiveness of public procurement: *“Have we really focused on improving our procurement capacity? We need to improve it because that links to corruption as well.”* A similar debate took place with a reference made to the State Bank of Pakistan’s report regarding the issue of transfer of development budget for execution into commercial accounts and its implications. The following comments during group deliberations further illustrate the credibility issue:

“Do we really want to improve the situation? What has been our record on this? Will any deliberation go beyond the forthcoming elections?”

Poverty Reduction

“The private sector can contribute but there exists the problem of ‘trust deficit’ between the private and public sector.”

Economic Growth

3.2.6 Governance Gap

“Governance, over the years, has really suffered in the province - due diligence in governance has eroded. Diligence in governance can only come when there is enough capacity and professional understanding.” Energy and Infrastructure

The governance gap, in many ways, is an umbrella term that relates to the issues already highlighted. The governance issue surfaced in the sectoral debates in various forms; however, the most prominent and recurrent debate was about centralization vs decentralization, especially in the context of the 18th Constitutional Amendment and the subsequent enactment of Sindh Peoples Local Government Act 2012. In the Education sector, the issue was discussed in terms of lack of decentralization of school management and, therefore, the need for school-based management and accountability. In the PFM sector, of the discussion focused on fiscal decentralization from federal to provincial, and to LGs:

“...I think one of the areas of my concern is that currently there

are too many areas that the provincial government has taken on – their performance in these areas has really been problematic I feel that primary education should be assigned to that level of the government which provides the least cost solution to public service, and I think managing primary education while sitting in the provincial capital is much more expensive than if we are able to decentralize it...” (PFM)

Effective delivery of services requires effective governing institutions at the district and local levels. Therefore, the reforms that need to be undertaken include the following: increasing financial resources for local bodies; delegating authority for local bodies to raise taxes/revenues; strengthening oversight and accountability of local bodies; and developing systems and approaches to engage local bodies so that they are involved in project development for public services that affect them.

The need to improve the monitoring and evaluation mechanism was highlighted in the Nutrition and PFM sectors. The discussion in the Poverty Reduction sector also raised the governance issue, for instance with reference to lack of preparedness for disasters, which contributes to poverty, as no pre-preparations and mitigation plans exist for the communities.

3.2.7 Evidence Gap

Limited access and use of data in effective planning, resource allocation, managerial decision-making, monitoring and accountability came across as another critical and recurring issue during sectoral discussions.

For instance, in the Nutrition sector, it was pointed out that the activities have not been mapped comprehensively in terms of coverage percentage of the population in the district; information is needed for proper mapping and review of progress. The major issue has been a lack of interoperability of the MIS system; every department has independent systems, which serves as a deterrent in data use across sectors. Moreover, research is also needed to find out explanations or root causes of some of the issues (e.g., the bottlenecks hindering exclusive breastfeeding) or search for local solutions (i.e., generating insights from what has worked at the local level).

In the case of PFM, the issue was approached using the example of non-existence of systems for budget forecasting and debt management and the need for collection of credible, provincial, macro-economic data:

“...we do not have any systematic data on the Gross Regional Product or the decomposition of the GDP at the provincial level. This is required, as it is a very effective planning tool.” PFM

“We need surveys on how much water is needed for households and other organizations...”

Without this data, no meaningful plans can be developed and implemented.”

Water and Sanitation

“Moreover, quality of the available data in many instances is questionable: “For data and reports, we rely on development partners. USAID is doing a wonderful job.” Health

3.2.8 Resource Availability/Utilization Gap

The issue of resource generation/mobilization, resource allocation and/or effective utilization also formed an important part of the group discussions. Some examples from the discussions include poor allocation of resources, and multidimensional poverty, not distributed equally in the country (Poverty Reduction). There is currently a) lack of adequate school infrastructure and limited provision of basic services such as water and sanitation services (Education); b) a lack of incubation facilities and seed funding for potential micro-entrepreneurs (Economic Growth); and c) a shortage of proper nutrition, leading to brain damage. The figures of malnutrition are alarming – Tharparkar rates it as high as 60 percent (Nutrition).

In the case of PFM, the discussion focused on resource mobilization to address low revenue collection as well as under-utilization of budget and the reasons for it:

“There are two issues: 1) the issue of the releases – that means providing the releases at the appropriate time to the

departments; 2) the capacity of the departments to utilize those within time.” PFM

The issue was also discussed in terms of efficiency, such as “water efficiency” and “energy efficiency” – i.e., there is a need to modify inefficient practices in housing and cooking.

3.2.9 Demand Gap

The reform trajectory is laden with predominantly input-driven projects and initiatives. The nearly exclusive focus on supply side interventions is problematic and manifests itself in examples such as crop production without understanding the local or global market, focus on “access” in education without considering quality, lack of demand for nutritious food, etc. The lack of focus on demand, market needs, outcome-based input or value chain results in wastage of resources in the system. Some representative examples and comments are:

“We must get away from supply-side thinking. This also includes outcome-based budgeting.”

Poverty Reduction & Community Development

“The presentation on the sector was very comprehensive, especially with respect to supply-side projections, but it largely ignored ‘demand side’ - it was only about supply issues. GoS must stimulate demand-side approach and employ it for planning.”

Energy and Infrastructure

3.3 Priorities and Strategies Reflecting Common Emphasis across Sectors

Discussion of the major development challenges as well as the broader context of the key developments at the national, regional and global level provided the backdrop for identification of sectoral priorities. These include: Chinese development, Asian development, the CPEC and other economic corridors; the Sustainable Development Goals (SDGs); the post 18th Constitutional Amendment scenario; and growing emphasis on Public Private Partnership.

As is the case for key issues and challenges facing the sectors, a review of sector-specific priorities also indicates that there seems to be convergence on the focus and emphasis of the priorities identified. This section presents a synthesis of the priority areas and collaborative strategies where two or more sectors indicate similar focus and emphasis.

3.3.1. Sharpening Focus/Refocusing

The current size of the school portfolio (around 50,000 schools) is considered unmanageable and an “inherited structural issue” needing rectification. There is a growing realization that the government should be very focused and targeted in its interventions. Pragmatic Policy Framework, as used in Korea, also needs to be adopted in Sindh. Likewise, “catalytic interventions” are proposed for poverty reduction. The overall suggestion is for the public sector to approach development challenges with a very sharp focus that can deliver results.

3.3.2 Integration, Coordination and Linkages

Enhanced integration (e.g., multi-sectoral interventions), improved coordination and strengthened institutional linkages within and across departments and with the development partners as well as other stakeholders is a major emphasis, evident in the sector-specific examples that follow. The integration is discussed in terms of both content (e.g., thematic or programmatic) and structure (e.g., institutional).

The sectoral priorities for Water Sanitation and Municipal Services include a focus on “integrated water resource management.” Furthermore, the need for better integration of quality education, health, nutrition and WASH services is identified as being key for poverty reduction in Sindh. Such integration would enable reduction of avoidable expenditures and, therefore, lead to increased income. The deliberations specifically highlight the significance of coordination and linkages across multiple sectors as well as with the development partners for strengthening multi-sectoral interventions. Energy and Infrastructure sector deliberations also identify an “Integrated Energy Plan” as a priority.

Discussions in the Health and Population sector also prioritize integration of all vertical, preventive programs for health (e.g., maternal, neonatal, child health, prioritizing newborn care; communicable diseases; NCDs; compulsory immunization; nutrition), thus shifting from a project to a program approach. Integration of NCDs to primary healthcare system is another similar emphasis. The focus on institutional mechanisms and integration, and effective relationship between line

departments and districts, was part of the deliberations in the Poverty Reduction sector, along with an additional emphasis on integration of existing community organizations (e.g., UCBPRP) with other sectors in order to build on social capital. The Nutrition sector also indicated governance and coordination in all nutrition related activities at all levels as a sector priority. Institutional linkages in agriculture, irrigation, livestock and fisheries departments were also highlighted as a sector priority.

Integration was further discussed in terms of participatory processes, involving participation of the key stakeholders – e.g., emphasis on “Participative Budgeting Processes” (PFM sector) and enhancing the role of stakeholders at all levels (Health and Population sector). Likewise, public private partnership received special emphasis.

3.3.3 Capacity Development and Human Resource Management

Another important area identified as a key priority across many sectors is capacity building and effective management of human resources in the province. Sector specific examples include: capacity development of officers in Public Financial Management; and effective planning and management for Human Resource for Health (HRH) which includes establishment of an HRH Directorate, human resource planning (retention strategies), Human Resource Information System and operational HR plans. Technical capacity building is needed to strengthen LG councils for improved WASH service delivery (Water, Sanitation and Municipal Services sector).

Likewise, the sectoral priorities for Economic Growth, Private Sector and PPP include the following: a) promotion of on-the-job training programs for labor to be trained in the latest technological innovations to help reduce the cost of re-runs for businesses; and b) bringing “*ustaaads*” and small workshop owners into the formal fold through skill development institutes, which would lead to small informal businesses benefiting from trained labor and access to other network resources.

3.3.4 Research and Evidence-Based Planning

Research, evidence-based planning and data-driven management were other key emphases in priorities across different sectors. For example, the transformation of agriculture and reduction in production costs requires “knowledge of intensive agriculture,” which implies strengthening of the research and extension services in agriculture, irrigation, livestock and fisheries departments. Applied research on the latest and most relevant issues in agriculture, livestock and fisheries is needed, such as gene-based research, study of efficient use of pesticides, food preservation, and new species or varieties in fisheries. In order to ensure efficient service delivery in relation to the water, sanitation, municipal and energy sector, quality and real-time data needs to be produced in order to understand the water consumption or energy consumption requirements of the households in the province.

3.3.5 Performance-Based Planning, Monitoring and Accountability

Putting in place a performance-driven and accountability-based regime for effective planning and management in the province also received recurring attention in the sectoral priority discussions. Specific examples included job security linked to performance and PFM reforms in terms of performance and output-based budgeting (Health and Population). In Education, the emphasis was reflected in the sector's priority to link students' learning outcomes (based on regular assessments) to teacher performance evaluations and ensure accountability through devolution to school and district level for the purpose of strengthening school management.

Group deliberations in the Water Sanitation and Municipal Services sector reflected a similar focus, with priority areas that included establishment of a robust monitoring and evaluation system, not limited to input, process and output indicators, but going beyond that with outcome and impact key performance indicators. In addition to strengthening the M&E system, it was proposed that other governance reforms should include clarification of roles and responsibilities and decentralization and devolution to the local governance level.

3.3.6 Public Private Partnerships (PPPs)

The deliberations reflected a strong realisation that the government cannot respond to the development challenge alone, primarily due to the scope and size of the public sector and capacity or resource limitations on part of the government.

“The private sector needs to do more instead of putting the onus on the government. If the private sector focuses on the national priorities, money will inevitably come.” [Economic Growth](#)

“GoS is fully aware that any growth in the agri sector has to come by full and active participation of the private sector.”

“The Agricultural Policy suggests that the private sector should invest four times more than the investment made by the GoS.” [Agriculture](#)

Additionally, the private sector's involvement is also sought in order to address the governance, accountability and performance gaps. Here is a representative comment:

“GoS intervention in terms of STEVTA is at best sub-optimal; they have not performed. Favoritism or bureaucracy will not help. It should be given out to the PPP Unit. Public funding and private execution is the best model; we should make private sector part of the process of capacity building.” [Economic Growth](#)

The PPP Unit within the Education and Literacy Department was discussed as an example of effective outsourcing of school education

management to private sector operators through the Education Management Organizations (EMO) Model. At the same time, however, there was a strong realisation that the PPP Unit needs capacity building in order to realize the potential impact of PPPs on educational outcomes in Sindh. Other social sectors, such as municipal servicedelivery, could be outsourced to a private sector operator as well, but this would require capacity building of the PPP Nodes in other departments so that they become well-staffed, transparent, competent and well-resourced.

3.3.7 Population Planning

Investment in family planning and confronting population issues is extremely critical because if Pakistan in general, and Sindh Government in particular, fail to undertake comprehensive and effective family planning, all gains in development will be (and are already being) wiped out, reversed and negated. Some progress has been made, but the extent of population growth every year is daunting; such growth continues to contribute to the tremendous depletion of very scarce resources. Population and family planning are more than merely health sector issues; they affect all sectors and have enormous impacts at the community level (urban and rural). Improving community development or reducing poverty at the community level cannot be achieved by simply “building more things”; rather, the demand on such things implies a major investment in reducing core drivers of demand is required.

3.3.8 Establish Advisory Mechanism - E.g., Think Tanks

In a fast-changing and complex world, several countries in the world have think tanks that advise the governments on important matters; for example, there are 6 such think tanks in South Korea and 200 in Japan. The discussions in the Water and Sanitation and Health and Population sectors highlighted the need for a broad and multi-disciplinary advisory role or mechanism. In the context of Sindh, the SDG Unit has already been established in the Planning and Development Department and can act as a think tank for the Government of Sindh (GoS).

3.3.9 Enhanced Use of Technology and Innovation

Enhanced use of the latest technology, innovation and alternate pathways or solutions is another area of common emphasis and is reflected in the following sector specific priorities: Active use of new learning technologies and alternative or accelerated pathways to education and learning (focusing on over-aged or out of school children in the Education sector); rewarding innovations, particularly in the SME sector, (e.g., through grants and innovation competitions) and promoting on-the-job training programs for workers to be trained on latest technological innovations (Economic Growth sector); and “innovations in the social market to reach the last mile” (Health and Population sector).

3.3.10 Community Based/Focused Engagement

Advocacy and awareness raising are key aspects of nutrition-related interventions. In order to reduce malnutrition, wasting, stunting, anemia and micro-nutrient deficiency, more social protection programs and a wider social behavior change dialogue are needed. The outcomes of these discussions need to be taken to the public to convince them of the significance of diversifying their food and changing their eating habits. Multiple stakeholders need to be engaged to reach out to

the community at large and at a faster pace. Outreach can be enhanced through the following: effective management of the LHWs; strengthening extension services (e.g., through capacity building of staff and integrating extension services from other sectors such as agriculture and livestock); engaging media (for taking a more positive and contributory role); and inviting politicians to take up such issues (e.g., malnutrition or water shortage issues) as part of their manifesto and political campaign.

Way Forward

SECTION IV

The Way Forward proposes possible next steps, not only in terms of a mechanism for follow-up, but also a discussion on the institutionalization of SDF. The outline of the way forward, presented in the following paragraphs, is based on the concept of SDF, the perspectives of key stakeholders articulated in the Forum, experts' comments in the working group sessions and the post-event meetings with P&DB.

The realization that SDF should not be seen as a one-off event was already evident in the overall planning and discourse. There is a strong consensus on the need to institutionalize SDF and its outcomes – i.e., the event should be seen as an integral part of development planning in Sindh, and should help inform the development agenda.

Institutionalization will require adjustments in policies and mechanisms as well as the prevalent culture around development and implementation of public policies. SDF 2018 prepared a strong foundation for reforming the development planning and practice in the province. However, there is an urgent need for immediate and strong follow-up so as to sustain the energy and momentum generated. Based on the outcomes of SDF, there is also a need for preparing a detailed plan for transforming the development practices in Sindh.

The following paragraphs briefly outline some follow-up actions as discussed during and after the SDF meetings.

4.1 Management of Knowledge Generated

SDF 2018 was very successful in generating practical knowledge in the form of sector papers developed by specialists (from both the public sector and international development partners) and intense conversations in the sector-specific working groups. It is critical to carefully capture the knowledge generated. This strategic and practical knowledge can lead to sector-specific strategy papers which, while laborious work, are worthwhile, as they will provide strong foundations for future development actions and plans.

4.2 Thematic Advisory Boards

A logical course of action post-SDF is setting up sector-specific advisory boards for pre-budget discussion and advice along the pattern of the Planning Commission, Pakistan. The advisory boards need to meet before the development of a budget strategy paper to discuss socioeconomic directions and priorities for the budget; thus, paving the way for moving away from ADP-based budgeting to a shared and well conceived growth strategy.

4.3 Follow-up Meetings: Sector-based and Inter-sectoral

There is an urgent need for a follow-up mechanism for collective reflections in sector-specific groups to sustain the momentum, and for taking the next steps. These reflections will help to form a detailed mechanism for SDF institutionalization and to clearly identify the recommendations as short-term, mid-term and long-term so that these can be converted into action points for effective implementation and sustainable outcomes. The following meetings can be proposed as a starting point:

- A meeting with the Session Moderators (and, possibly, with the panel speakers also) could be a good starting point for collective reflection.
- This could be followed by sector wide meetings. The purpose of a sector wide meeting would be to a) identify the knowledge and practice gaps hindering the realization of *the development goals*; and b) *further develop the proposed strategies in terms of short-term, long-term and midterm goals*.
- The next level of meetings could be inter-sectoral so that cross-sector linkages and knowledge/ practice gaps are identified; thus, necessitating comprehensive, integrated (inter-departmental, inter-sectoral) and long-term development strategies.

4.4 Enhancing SDG Unit's Involvement and Alignment

The SDGs Unit has already been established in Sindh. This unit could further be strengthened to bring more coherence to development interventions.

The proposal above made for the way forward presents, at least three different levels of follow-ups: Immediate, Intra-sectoral and Inter-sectoral. The immediate follow-ups include reflections and review meetings to help in effective management of the knowledge or advice generated through the conference. The immediate follow-up will also help in developing a detailed plan leading to institutionalization of the concept of the Sindh Development Forum. Sustaining these mechanisms over a period of time, it is envisaged, will bring the desired transformation in development practice.

While the current section provides a necessary conclusion to the report in terms of proposing strategic directions for future actions, Section Five provides a conclusion of a different nature; it offers an important venue for reflecting on the quality and outcomes of SDF 2018.

ASSESSMENT

SECTION V

Assessment of the Quality and Outcomes of SDF

Cassidy (2015) has outlined some suggestions to measure the impact of an event. Though no systematic effort has been made to evaluate the outcomes of the SDF event, on the basis of anecdotal records the event can be discussed using the following parameters.

5.1 Stimulating Debate and New Thinking – i.e., Quality of the Debate

The overall development discourse in Pakistan in general and Sindh in particular has been dominated by reactive planning, where the general practice in the public sector has been to respond to the proposals submitted by development partners, rather than proactively and strategically engaging the partners in addressing the challenges. In this respect, SDF 2018 marks a paradigm shift – the GoS, in collaboration with USAID, initiated a well thought-out process to share their priorities, based on a reflective analysis of the successes and challenges to identify the lessons learned. The purpose of sharing was to inspire collaboration and partnerships from development partners in priority areas of the GoS.

The event expanded the development debate in Sindh through organizing an open dialogue, taking an inclusive approach towards participation, and engaging in cross-disciplinary thematic discourse, including factors such as gender, governance and

environmental awareness. A representative from academia, towards the end of the session, commented: *“I was initially not very positive about participating in the event. Now, I think it would have been a mistake [not to]! It was really a very productive discussion.”* These reflections echo similar comments made by several other delegates.

Moreover, the working group sessions were thoughtfully designed to invite open discussions and candid comments so as to genuinely inform and reform the development agenda and practice in the province. The comments below, made during the working group deliberations, reflect an appreciation of this openness and the inclusive nature of the event:

“I would like to congratulate the Sindh Government on taking this initiative. It takes a lot of courage to analyze your strengths and weaknesses and to share with all the partners for a way forward.”

“The issue of decentralization – we should talk more about what it means. I have been here for 2.5 years but these conversations have never taken place – neither at provincial nor at federal level.”

The overall comments of the participants during and after the event, especially during informal conversations over tea, lunch or dinner, indicated that this shift in the development approach by GoS was very well-received and positively acknowledged by many stakeholders.

5.2 The Inclusiveness of Participation

From a strict definition of inviting “new” participants, the event may not have attracted new participants per se. However, the selection of the participants was carried out through a rigorous process and criteria, where nearly all the key stakeholders contributed to the identification and selection of relevant participants. Thus, the planning of SDF took special care in inviting delegates who could make genuine contributions to the debate and could share real insights based on the depth and breadth of their experiences in the development sector or working in the province. This overall process of careful selection certainly attracted very relevant and high-profile participants, which also contributed to the quality of the deliberations.

5.3 Generating Practical Advice or Feedback

An important parameter to measure impact of an event, as indicated by Cassida (2015), is generation of practical advice or feedback. By all measures, SDF 2018 was very rich in this regard. The whole event was geared towards generation of practical and constructive advice for the GoS in addressing the challenges in the province. The plenary speeches offered a venue for inviting strategic advice while more practical advice was provided during the working group sessions (discussed earlier in this report).

Section Five, the concluding section of the main report, made comments on the overall quality of the event along the following three dimensions of Cassidy’s framework: Has the event been successful in a) stimulating debate and new thinking, b) promoting inclusive participation and c) generating practical advice or feedback? In all these aspects, the anecdotal evidence points to the success and high impact of the event.

SECTOR-SPECIFIC DELIBERATIONS

SECTION VI

Combination of Transcription and Summary

This section captures the details of the deliberations at SDF 2018, with a combination of transcriptions from audio recordings and summary notes.

Sector One: Agriculture and Food Security

The group deliberations started with initial introductions of all the participants sitting across the table; this was followed by input by panel speakers and subsequent group discussions. An update was also shared that the Agriculture Policy (draft) is, currently, in the approval process. It has been submitted for its subsequent discussion and approval in the Cabinet meeting. The Agriculture Policy does not cover water, as water has been dealt with separately as part of the Irrigation Sector. The plan is that once the Agriculture Policy is approved, then based on these principles and strategies, an action plan will be developed. A Policy Support Units in the department will also be created so that we can create capacity.

Overview of the Sector:

Agriculture and Food Security – Livestock, Fisheries and Irrigation

- Sindh is the second largest province of Pakistan in terms of population as well as contribution to GDP, employment and export. It employs 48% of the country's labor force. It has 18% of its land area and 16% of the cultivated area and contributes 23% to national agriculture revenue. Its agriculture sector contributes nearly 24% to the provincial GDP. Wheat, rice, cotton and sugarcane are its major crops, though fruits and vegetables are growing rapidly.
- Livestock and fisheries – including milk and other dairy products – contribute 11.5% to the country's GDP and 55% to the value added in agricultural GDP.
- Sindh has arid and semi-arid to tropical climate conditions, making it a favorable area to grow cash crops (cotton, sugarcane), cereals (rice and wheat), fruits, vegetables, condiments and flowers.
- The province's arid zones are mainly in three areas – the Thar region (Tharparkar and Umerkot districts) and Nara region (Sanghar, Khairpur, Ghotki and Sukkur districts) in the East, and the Katchho and Kohistan regions (Dadu and Thatta districts) in the West. These zones cover 62% of the province (more than 88,000 square kilometers) and can be classified as sub-tropical desert.
- Many of Sindh's higher-value crops are produced in well-defined clusters: e.g., vegetables and milk are in the peri-urban areas of Karachi and Hyderabad; dates in Khairpur; red chilies in Kunri; bananas in central Sindh; and sheep, goats and cows in the settled as well as arid areas of Umerkot and Thar.
- Sindh has over 5.8 million hectares of irrigated land and over 800,000 farms. Major crops include cotton, rice, sugarcane and wheat, contributing 34%, 36%, 29% and 15%

respectively to national agricultural production. The average farm is small, and over 93% have less than 7 hectares (ha), covering 64% of the total farm area.

- The GoS has made significant investments in *irrigation development* through the establishment of the Lower Indus Basin Irrigation System (IBIS), which commands a total of 5.36 million ha within Sindh, and comprises of three barrages (Guddu Barrage, Sukkur Barrage and Kotri Barrage), 14 main canal systems and over 21,000 km of canals in the province.
- *Drainage infrastructure* comprises of around 6,000 km of surface drains, 561 km of interceptor drains and around 5,000 tube-wells². While predominantly designed to serve irrigated agriculture, this system is a lifeline of the province for a multitude of uses. It supplies a significant share of the urban water for Karachi and other towns, and is the main source of drinking water for the majority of rural communities.
- The *livestock sector* contributes significantly to the economy. Milk, meat and poultry are the key commodities in livestock. The production of livestock commodities directly contributes to the national economy as an employer of poor and landless people in small farming families. For poorer households, livestock remains a valuable asset, earning nearly 10 to 25 percent of household income. Milk, eggs, butter, meat and oils are the main sources of nourishment that are enormously important for good health and adequate nutrition of both the rural and urban populations. For global milk production, Pakistan is ranked fourth after China, India and USA. Livestock also provides raw materials for multiple industries in the form of valuable organic animal proteins and its by-products, including bones, mohair, hides,

skin, manure, wool, etc. While the overall agricultural growth rate was recorded at 2.9 percent in 2014-15, the growth rate for livestock was recorded at 4.1 percent, crops at 1.0 percent and forestry at 3.3 percent.

- Likewise, Sindh has a coastline of over 350 kilometres with open access *fisheries* resources, and holds 60 percent of Pakistan's freshwater fisheries resources. The Sindh fisheries sector represents 100% of brackish, 65% of freshwater and 71% of marine water resources of the Pakistan fisheries resources. According to the latest data (2014-15), total marine and inland fish production was estimated at 499,000 metric tons, out of which 365,000 metric tons were marine production while the remaining was from the inland waters. The total sector employment was estimated at 360,000 (2000-2001), of which 37.5% was in marine and 62.5% was in inland fisheries. Unfortunately, most marine fisheries in Sindh have been subject to overexploitation because of unchecked and uncontrolled fishing practices.
- Agriculture is among the main priority sectors of the GoS, which is evident from the investment that the GoS has made in this sector in the last 10 years. Based on data available in the planning department, it can be shared that GoS has provided 44 billion for the agriculture projects in Sindh (excluding irrigation) in the last 10 years, out of which 37 billion has been actually spent.
- Despite significant investments made by the government, the agriculture sector has not achieved the desired results.
- In terms of achievement in agriculture, the signature enterprise –rice production – introduced in Karachi in 1968, has now become the second largest agro-business in Pakistan.

² Azad A., M. A. Rasheed and Y. Memon, 2003. *Sindh Water Resources Management – Issues and Options. Occasional Paper Series No. 15. FAO Investment Centre.*

Livestock

- In the case of livestock, the intervention that has worked includes investment in vaccine production and diagnosis, which has reduced the earlier reliance on the other provinces.

There is a huge list of areas that have not worked out in the sector:

- The concentration of the dairy sector in the urban or peri-urban areas worked for a short period, but did not succeed in the long run. Some of the reasons for lack of success include the cost of rising livestock in peri-urban areas – the food, the energy, transportation, etc. The second reason is that the peri-urban areas do not provide opportunities for recycling of the animals.
- Breed maintenance is another thing that has not worked in the livestock sector because it was not targeted, strategy oriented and well planned. Therefore, 90% of the livestock that we harbor today do not have any specific breed – they are non-descriptive animals, with low production.
- There is tremendous potential in our current breed. However, the major problem is livestock management – if the animals are not getting even sufficient water, how are they going to produce milk? Their housing and fodder need to be nutrition based.
- In the wake of CPEC and China coming in, there is a huge pressure on our livestock and fisheries. Whatever breeds we have we are losing the genes because we are not recycling the animals. We should have a breeding program not only to conserve what is available (germ plasm) but also to take advantage of the development that has taken place.
- Around 60% is the participation of livestock in agriculture but funding is less than 30% in comparison to agriculture. There is a need for balancing the funding.

Fisheries

- Karachi Fish Harbour is one of the major initiatives, which has worked for the fisheries sector in Sindh.
- We abandoned the license system that could have ensured conservation of the fish, its recycling and production. Since we allowed everyone to fish and no one is conserving, not only the marine but also the inland resources have become depleted to the critical level (as suggested by the FAO studies). Moreover, the federal government is now taking a decision to allow even the international community to fish in our water. This is an alarming situation which needs to be addressed at the federal level.
- The management of marine fisheries is something that we do not often pay attention to. However, USAID works with fisheries around the world, and we are starting to see impact of very low-cost intervention – e.g., fish stock assessment, licensing, looking at your fish stock as a natural resource. There is an impact in 5 years, as shown by significant re-growth in fish docks (through putting in place low-cost power management machines). In comparison with agriculture, management of the marine fisheries is much more economical, having a much lower cost than agriculture.

Poultry

- We depend only on chicken; we could not develop any alternatives to chickens, such as ducks or ostriches or something else.
- 70% of the cost for production comes from the animal feed and the fodder – we do not have forest or pasture land management; neither do we have the fodder variety that can be grown in the saline region or the brackish water, which is what needs to be focused on.

Major Achievements in Livestock and Fisheries: Legislation and Plans

GoS has been able to produce legislative instruments, focusing on addressing the basic, fundamental issues or the problems of livestock and fisheries in Sindh. These include the following:

- The Sindh Livestock and Breeding Act, under which Sindh Breeding Authority has been established to help conserve, preserve and improve the breeding. As a result, re-breeding the animals without following the certified rules is not allowed.
- The Sindh Livestock Registration and Trade Authority (established 92 months ago), – which ensures that every farm and animal is registered and that there is a traceability to focus on food safety. This will help in addressing the issue of illegal transportation and allow export of surpluses.

The Cabinet has just approved the Simulation of Certification of the Animal Health – it has now become part of the One Health Slogan for the human health (there is earlier experience that a certain percentage of the infections to humans originate from animals).

Agriculture

- We clearly want higher rates of growth that are inclusive. The past 50 or 40 years' growth of the agriculture sector has been input-driven rather than productivity driven – it has been about greater use of fertilizer, water, land and actors. A logical change in the business is making it more research-intensive, demand-driven, making more use of extension and more management practices, ensuring that it is properly funded and staffed, and creating a better enabling environment.

Inclusive Agriculture

- *Rural and Urban:* Sindh is a province that is still both highly rural and highly urbanized, which implies that focusing on both rural and urban areas will be fundamental to reach sustainable growth of the agriculture sector.
- *Gender Strategy:* Without an explicit gender strategy, it would be difficult to tackle the issue of equality and poverty as a cross-cutting theme. There are some women-specific elements in all of the sector papers, but that is not sufficient. Absence of an explicit gender strategy implies that we will not be able to harness 50% of the population's contributions, particularly in rural areas.
- *Food Systems:* We need to look at things in terms of food systems that will be sustainable and ensure sustainable management of natural resources. This means looking at the whole value chains of all the food systems. This will have three major advantages: a) it will be a big opportunity for growth; b) you will create more modern food systems through modernization of agriculture; 3) if it is inclusive, you will be successful in reducing poverty levels and malnutrition.
- One entry point for food safety in Sindh could be the wet markets in Sindh. This could be an initial system to look into the food systems and the link between the rural and urban. Therefore, there is a need to look at the wet markets in terms of who are the farmers, how they reach the market, what the losses are along the value chain, what the prices are, and issues in terms of the quality of the product, the conservation, the food safety standards, etc.

Climate-smart Agriculture Management

- What we really need to look into are the changes in the patterns of agriculture due to climate change, typicality of the territoriality of

the agriculture in Sindh, and the agro ecological zoning.

- We will need to adapt to the change in climate, which is already hitting, and there are several issues around that.

Current Crops – Is that the Right Direction?

- Wheat and sugarcane are really destroying the land; what is being used for sugarcane can instead be used for chick peas or other crops.
- We must realize that we are overproducing wheat, i.e., more than our requirement. We are more than self-sufficient in rice, onions, potatoes and many other commodities. However, our cost of production has gone so high that we cannot compete in the international market. This is the reason why we cannot sell our wheat (despite the surplus) or cotton (where we used to be 5th-highest producer in the world, but now Indians, Brazilians and others produce wheat much more cheaply than what we produce in Pakistan).
- We can bring the cost down only by increasing our yield. The world has moved on to genomics and genetic engineering, i.e., practically implementing the slogan: “*from Green to Gene Revolution.*” The maximum that we are doing in this domain is importing the hybrid varieties and evaluating them in terms of their suitability for Pakistan. Every country has its own agro-ecology and suitability – the varieties and the germ plasma need to be developed here based on our conditions. We need to move to a gene revolution. Twenty years ago, India started funding and research on genetic engineering and has made a lot of progress.
- Diversification: We need to not only look into high value-added value chains, but also into diversification which will support the nutrition outcomes that we are looking for.

Innovation and Modernization of Agriculture System

- Inadequate use of water, degradation of our land, absence of high-yielding priorities, quality seed and lack of technology – these are the main causes for having yield wastes.
- There are many improved quality seeds that have been developed within Pakistan that adapt very well to the type of climate challenges that are in particular areas and that will also address the yield gaps. Seeds require changed agriculture practices, and agricultural practices relate to water use, management and monitoring – this implies taking a systems approach to ensure success of intervention. So, we are moving in the right direction in terms of the crops, but we may need to shift the zone slightly and change our practices related to agriculture and water usage.

Enabling Environment, Value Chains and Private Sector Involvement

Enabling Environment:

- On “ease of business and business environment,” Pakistan ranked below 147 (cf. World Bank Report). Sectoral reform requires local and Foreign Direct Investment (FDI), for which there is a need for enabling environment.
- Enabling environment, at a general level, implies political, economic and social stability as a pre-requisite. At the sector level, it implies legal and regulatory environment – e.g., how the Wholesale Market Act affects the way business is done or subsidies are provided; re-visiting old ideas regarding the tariffs or the import regimes is another aspect. Efficiency of the system is the third element – i.e., how fast, how painless and how cost effective it is to set up a business (e.g., getting a license for fishing).
- An important aspect of enabling environment for agriculture is the Land Tenure System – is it secure, transparent and is there access to

credit and insurance? Do the trade policies enable easy access to global markets? Is there capacity for meeting standards?

- Practically, we stopped exporting raw cotton, and in case of rice, some years are good and some years are not, because the cost of production is high. With potato and citrus, we are losing the market. For this country, export is the pull towards agriculture production and growth. Because we are self-sufficient, we need a pull, and that pull can be created through developing value chain and standards. In past, we used to export chilies but then due to the afro-toxin in our chilies, we were banned. This decreased the income to the farmer, and when the farmer will not have the income, they will do half-hearted agriculture. Here is what needs to be done:
 - We need to start working on gene revolution immediately.
 - We should develop our markets and systems for export, and once we do that, we should develop food chains, food safety nets, standards and all that. For instance, we started registration of our mango orchards, and for the European Union and USA, we only allowed mango to be sourced from the registered orchards. In the first year, 48 orchards got registered and followed the set protocols; they fetched twice the price than the others. Next year, 200 others got registered. Unless the price incentive is given to the farmer, they are not going to invest in the right fertilizer or seed.
- We need to introduce some kind of insurance for our farmers, especially in the disaster-prone areas, arid zones and the coastal belt. If we can introduce agriculture-based insurance, it can be replicated for the livestock also.

Agriculture and Trade Policy – “Standards”:

- When it comes to standards, they may be driven by the importing countries’ demands or by domestic consumers. There are basically two kinds: 1) the scientific kind, and 2) the consumer preference kind. On the scientific, we have phytosanitary and sanitary standards; these are related to plant health and animal health, respectively. These are entirely concerned with importing countries’ desire to control diseases and pests from entering their agriculture industries. Then, we have food safety and water quality, which concerns maximum residue level. This relates to some of the things that we use in agriculture, such as pesticides. With the consumer preference side, this is an interesting one because if the country is ethically driven, it can relate to things such as the following: the labor being used in agriculture and whether sufficient working conditions are being provided in terms of wage, welfare, etc. Consumer preference can also relate to quality, size, the variety preferences, etc.
- We often think that if we raise our standards, it will trickle down to the domestic consumer. However, one of the unintended side effects is that the prices get too high for the domestic consumers, which needs to be an important consideration with reference to Pakistan because there are many poor people who should be able to afford cheap, nutritious and safe food.
- Another important aspect is that some of the farmers will get money out of meeting the standards but some will not. For example, the environment standards (focusing on soil, water and food safety) do not add to the cost of the product. So, the government, when looking into subsidizing, should think about retaining these standards for public good.

Value Chains:

- The government's approach has been focusing on the supply side – i.e., looking at the capacity and enhancing productivity. In value chain, we look at agriculture as business – as a system, and at the relationship and the value at each point – whether as producer, processor or exporter. And the questions in terms of enabling environment and value chain are whether the system allows credit, lowers cost and allows access to market; and also whether we are driving innovation.
- We are trying to fill in the gaps in the value chains through actively supporting the private sector. We have tried to create market linkages for the farmer by creating a Joint Venture (JV) of the exporter with the farmer so that farmers get the maximum benefit of the value addition part of their produce and commodity.
- In terms of improving the access to finance for the farmers, we are piloting 4 storage projects based on warehouse receipt-based commodity financing. For example, we are supporting the rice value chain in the rice export, which is a one billion dollar export commodity. With the State Bank of Pakistan, we are supporting the VMR of rice husking mills where we have also connected the farmer to the exporter so that they can have access to the international market with the help of the export market. We have made critical interventions, such as giving the farmer an interest rate subsidy for their debt and introducing modern techniques and methods by supporting dairy farms that have high-yielding animals.
- An appropriate target group to maximize growth and reduce poverty is the small commercial farmer. This group purchases from the rural, local non-formal economy, creating rural linkages that actually raise growth for non-farm rural inhabitants, which is poverty reducing. These small commercial farmers are also educated and have sufficient resources to change technologies and adapt to different

things. However, we need to then also look at the land tenure aspects; the need for transparent relationships with tenants for those who have property is a very important aspect.

Private Sector Involvement:

- Government cannot achieve 4-5 percent of growth if the private sector does not also step in. For that, we need to create an enabling environment (where the private sector feels comfortable), create value chains (get a good return on investment) and figure out how to set up the agriculture sector to grow. We need to make it modern, value-driven and demand-driven because if it is demand-driven, everyone down the value chain will adopt all the practices because of the financial incentive.
- The Sindh Market Act calls for establishing private markets and privatizing the commercial markets. It has not been implemented; no subsidiary legislation has been developed. The Act is about one paragraph, and there are no supporting regulations around it, which need to be put in place for the private sector to then have confidence to step into that space and develop these private markets.
- The Agricultural Policy suggests that the private sector should invest 4 times higher than the investment made by the GoS. If we have 4-6% growth in agriculture, then we will have 6-8% growth in the overall economy, and that caters to our issues of poverty and food safety. The sector needs annually, at least for few years, 500 billion rupees invested, and 20% of that should come from the GoS and the remaining 80% from the private sector.
- GoS is fully aware that any growth in the agriculture sector has to come by full and active participation of the private sector, and SCBF is supporting the private sector in terms of financial and technical assistance.
- On the private sector, we need to focus on SMEs because currently in the agriculture

sector, there is a polarized private sector, with one or two big companies and many smaller ones. There is a need for more service-oriented providers; this is also linked to the employment.

Water

Water and Land Management

- The growth in population highlights the importance of agriculture; however, with rising demand for food security, the sustainable use of land and water resources also becomes very important.
- We need to look at the soil in terms of whether it has an appropriate PH level. Twenty-five years ago, the total organic matter was less than 1% (0.98%). Current studies by FAO and others suggest that the soil's organic matter is 0.4, which is alarming. And our PH level is more than 8.5.
- Our focus should be on conservation agriculture based on three principles: 1) minimum mechanical disturbance of the soil, 2) soil organic cover and 3) crop diversification. If you look at all the various agricultural zones in Sindh, there is a need to work on the bio-saline agriculture.
- Climate disasters are an outcome of the deforestation; we need to work on re-forestation.
- Agriculture in Sindh is dependent upon the use of surface water, mainly the river water because more than 80% of our ground water is brackish. Although we have a lot of tube-well water usage, the dependence of our irrigation water is on the river water.
- GoS has provided 135 billion for water resource development and management during recent years, out of which 125 billion has been spent by the irrigation dept. for these projects.

Water Security and Challenges

- Water will be a main constraint in the future. Due to climate change, old infrastructure (Sukkur Barrage was built in 1970s) and increased urban requirements, we are facing challenges related to water.
- We cannot increase the amount allocated to water; rather, this needs to be drastically reduced. Agriculture makes dominant use of water, currently estimated at 91-95% use, which needs to reduce, as has happened in other countries such as China or Japan (reduced to 60%). Thus, saving will come only from agriculture. Therefore, we have to rethink irrigation methods, technologies and efficiency.
- We also need to review the development pattern. For example, are we going in the right direction, depending on the major crops – wheat, rice and sugarcane? Or do we instead need to think of conserving water with alternate crop patterns? Sugarcane is an important crop but requires a lot of water. We need to reduce the share of water use devoted to agriculture from 95% to 75%, and this shift has to come through political will.
- There are so many critical issues, the Karachi water; now, the K4 is starting on the Keenjhar Lake – what about its impact on the Indus delta?
- Water is an important sector and since it supports many other sectors, such as irrigation and industries, it needs additional financial resources. Water projects require 100 billion rupees, but this year's allocation is 20 billion for irrigation; we need special attention and a separate forum for discussion on water. In this case, the throw-forward is 80, whereas, it should have been 70 billion rupees (throw-forward should not be more than 3.5 times.)

Water Consumption – Recommendations

These include:

- Enhancing the performance of the water sector institutions both in the public sector and private sector;
- Overcoming the scarcity by augmentation and conservation;
- Restoring the productivity of land by controlling water logging and salinity;
- Maintaining the quality of the drainage system;
- Implementing and integrating the flood control and watershed management;
- Making judicious use of ground water through tube wells; and
- Providing efficient monitoring.

Water Pollution and Climate Smart Water Management

- Pakistan is a water insecure country. Sindh, which is at the bottom of the Indus, has to look at water insecurity as a real challenge. Due to Sindh being the most downstream province, pollution is accumulating in Sindh. On top of the climate change, there is an enormous problem of water pollution, mainly from municipal waste but also from industry. There is no provision on water pollution, and we are basically destroying the aqua in Sindh.
- *Protection of Fresh Water Bodies:* Many water bodies have been polluted, which need to be refreshed. All essential measures should be taken to check the quality of emanating water from the industrial residue, the sewerage water, solid waste and excessive use of the pesticides – all the factors that accumulate pollution in freshwater bodies.
- *Water Conservation Technologies to Reduce Losses:* At present, there are 60% water losses from river to the field outlet, even the ground level agriculture field. These losses can be reduced to 30% at least, through introducing measures such as these: land-levelling or laser

land-levelling; micro-irrigation systems such as growing orchid crops or horticulture crops; the lining of the water structures; and introduction of GIS and telemetric systems at the level of the irrigation as well as the agriculture department. This is the technology needed to forecast the water requirements.

Water Pricing

- Donors stressed the importance of the GoS addressing the issue of water pricing policy that is directly contributing to the misuse of scarce water resources and inefficient agriculture practices (including disincentives to make investments in improved agriculture-related technologies). The lack of water pricing acts as a subsidy for water-inefficient cash crops (i.e., cotton, sugar, wheat and rice), while creating further disincentives to invest in agribusiness and related infrastructure to grow nutritious crops and bring them to market (fruits, vegetables, pulses, and nutritious oils such as olive and canola).
- We need effective water planning and policy; we are making wasteful use of water in the land and in the household and, therefore, must assign value to that water. An important issue regarding managing water is its theft, and people cannot use water efficiently unless it is priced properly.
- Throughout the country, water for irrigation is considered as free of cost, and this tendency has guided the usage of extra amount of water on agriculture crops. It is unlikely that we shift from water usage in agriculture at 90% to less unless there is an economic incentive to use that water more efficiently.
- It is not the responsibility of the government or the public sector to finance water. We need to think of engaging the private sector – i.e., how to initiate PPP, without compromising the issue of equity, especially since water is a right and it has to be given to everyone.

Water Pricing Structure:

- Water for farming is an input, and farmers get some profit out of it. Therefore, certain uses of water, such as for growing cotton or sugarcane, produce more profit than the other uses. The producer should be willing to pay more for uses where there is going to be more profit for that water or when water is scarce. In some countries, tiered pricing structures are very helpful where the first quantum of the ladder is a low price – and this helps the small and poor farmers. And for larger, more progressive and productive farmers, the next year they can be priced higher and so on and so forth. The top tier is the luxury use.
- The “direct outlets” issue is quite alarming – those who do that should pay more rather than less, which is the case currently.
- We do not depend on government or donors for the investment of hundreds of billions of rupees for this sector; it has to start from the pricing that anybody who uses water has to pay for the maintenance. Water is free, but for the management of water, money is needed. Water is managed through barrages, canals and rivers – this is the cost that we are managing in our development schemes. This cost has to be borne by the user also – some of that cost has to be borne by agriculture water use, not 100%, but 5% initially to introduce this approach.
- I have studied the canal water pricing. In this part of the world, it is not going to solve the water issues even for the next 100 years. The infrastructure cost that our water or irrigation system requires is huge, especially the capital investments such as on barrage or main canals. We cannot address this issue through pricing alone, and looking at the governance and political aspects, they are not going to increase the water prices. Twenty to 30 years ago, a price of one rupee for 1000 gallons for commercial use was set. Even if you increase it 20 times, you will still reach only 8% of the total

cost in the next 15 years. Some other avenues are needed for this.

- We need to have a progressive water taxation system; and we can discuss the modalities (e.g., should it be through partnerships)? This practice was in place before 1932 – i.e., charges were collected on privately constructed canals in Punjab and Sindh by the profit-making entrepreneurs.
- We carried out in-depth analysis in 2011 for the water task force and found that if you look at the charges for the tube-well water, it was affordable. Basically, it was the full cost of the replacement value of the irrigation system, which in a sense is affordable.
- We need to ensure improvement of the service Delivery Performance Ratio (DPR) of every canal and water processing. At the same time, the water costing has to be in such a manner that it should, at least, cover the existing MNDA, and that also in terms of surface water. In Sindh, that is not a big issue, but in Punjab, there are nearly a million tube wells that are extracting or mining the water free of cost. They have been mined to the extent that certain areas in Punjab are facing serious problems. Some of the areas in Sindh are also facing similar problems, the water there is turning saline.
- The water pricing regime needs to work within the cultural and political environment.

Irrigation

Effective Use of Existing System and Resources

- We have many un-utilized resources that we can make use of. For example, we can make use of the storages in the lakes such as Hammal and Manchar, as we are doing in Jokhiari. The canal from Guddu Barrage is crossing MNV-3 drains – canals are using those drains as their escapes. If we remodel those canals, we route the flow that is coming from Indus River to the

Western Nara Valley – that is the upgraded terrain – the MGD-3, which is coming to the Manchar Lake. Then we will be able to change the water quality of the Manchar Lake and improve the livelihood of the people living around that lake.

- In the studies that were conducted in the 1960s about the LIP Report, the Sehwan Barrage was proposed and in that barrage – the Sehwan Barrage Complex - the Hammal and Manchar were linked with the Sehwan Barrage. If we are able to construct the Sehwan Barrage now, then we link the Sehwan Barrage with the Guddu Barrage. By feeding the Guddu Barrage, we store the water to the level that we feed the agriculture command areas of Sehwan and Khairpur Nathan Shah, which include hundreds of thousands of acres of land which cannot currently get this water – the CM is affected from this water shortage in the tail end of Dadu Canal. Then we can discharge this water for the Kotri Barrage. We will not only be using this water but we will be effectively using it – and also improving the existing use of resources – because if the MNV is routed to the Arbiori and the Gadge Dam is constructed, you will have ensured security for people living around the lake and surroundings.
- The Sindh Irrigation Department has already constructed small dams, but it does not have the conservation plan; the donors can invest in this sector. If we determine that within a specific dam we have this influence zone – under which groundwater storage is being done – we can decide the cropping pattern for its entire cropping period and we would have ensured the agriculture production around small dams.
- Our groundwater management, such as SCAP (Salinity Control and Acclimation Project), was studied and constructed in the 1970s. It is now completely outdated and about 80% not operational, so we must revisit our ground water conditions.

River Management

- River management is the biggest challenge for the Lower Indus Basin, which has now risen to approximately 6 feet.
- The river does not flow on the ridge; it always flows in the sink. After construction of this modern irrigation system, we have now a continuous levy system. The river is continuously building its bed, reducing our slopes, increasing meander weights and establishing more vulnerable points. All of this means that we have an increased need for investment in flood-fighting measures. Also, reduced in-flows and deposition of silt and unwanted construction of bridges between the barrages – without taking care of morphological situation of the river – are also causing damages to the morphology of the Lower Indus Basin.

Lining Project

- We must think of saving water for its extended use – improving our cropping patterns and bringing more areas under the canal commands. We need to line the branch canals, distributaries and minors. The GoP is not giving the money for the lining project (running for the last 10-15 years with 40% success). Only 30-40% amount of the money is allowed; this is an area where the donors can contribute.

Modernisation:

- We have traditional irrigation systems, which need to be modernized.

Cross Cutting Areas

Governance

- There are the Sindh Water Management Board and the Irrigation Department to

support irrigation, but no one is really taking care of water as a custodian; there is no law. The province needs to introduce water resource management. There is a need to create a balance among the urban use, agricultural use and environmental use.

- There needs to be some minimum governance, as there are a number of direct outlets and illegal pump stations, which are not being *monitored*. The issue is primarily governance and water management – there is no control of the Irrigation Department – and anyone can use additional water. Infrastructure is needed but not in isolation; we need efficient ways to manage and make the best use of the 70% and make more water available.
- Another issue is encouraging farmers towards efficient use of water; the infrastructure to do this is also required.
- We need transformation of water use, and there are documented practices that could lead to 30-35% less use of water. Some crops such as fruit trees have different requirements for long-term water availability than annual crops. Therefore, one can decide to grow rice one year and not the next year, and grow it again the following year when it is wet.
- Due to the 18th Amendment (one of the biggest failures), though the responsibility and functions in the livestock, fisheries and poultry sectors (earlier being carried out by the federal government) shifted to the provinces, the financial resources, in contrast, have been depleting. The portfolio that the livestock and fisheries had prior to the 18th Amendment was 4.2 billion, which has been reduced to only 1.7 billion, despite the fact that 58.3% of the contribution to the value-added or the GDP is generated from the livestock and poultry sector.
- The Irrigation sector – water management and development – alone was provided with 130 billion, and they spent 125 billion. Irrigation is considered a part of the agriculture sector; the other departments that were linked to

agriculture were provided 36 billion which were spent. Considering the ratio between investment and spending, we need to think whether we want investment in the irrigation or other parts of the agriculture sector. A detailed analysis of the investment is required for decision making.

Coordination

- There needs to be a close coordination among the irrigation department, agriculture department and P&DB, which does not exist at this point. They should monitor and address all agriculture and irrigation-related problems.
- We need a holistic approach, especially in the disaster-prone areas, where we need to integrate health, livestock, forestry and agriculture.
- The roadmap to work on the integrated water system should address the institutional coordination aspects. Some inter-departmental coordination meetings have been conducted to discuss the challenges and coordination mechanism and there are, currently, a number of proposals regarding coordination at the highest as well as at the downstream level. The interdepartmental committee does not work even if it is appointed at the highest level (e.g., the Chief Secretary level). So, we are thinking of alternate models.
- An important aspect of establishing an enabling environment is the need for coordination between different arms of the government. The State Bank, the Federal Government and the SCCP – all have a role in agriculture, but how is that role being coordinated and integrated? There is PAARC and SAARC conducting research in the arid zone – is Sindh's provincial research connected to that? Chilies have been listed on Pakistan's merchandise exchange, and the State Bank is issuing notices against warehouse receipts and how to borrow against genuine needs. How is

the government coordinating that, and linking or leveraging?

Lack of Research and Extension Services

- Transformation of agriculture and reduction in the cost of production requires knowledge-intensive agriculture that links it back to research and extension services.
- There are no significant research institutes which can contribute to not only the livestock sector but poultry and fisheries also. Applied research is missing despite the fact that we do have a university in the province that has contributed a lot in the past to the human resources.
- The researchers should shift from conventional research or impact of fertilizer or pesticide to gene-based research. The research institute should be mobilized and funds should be allocated for this.
- Research in livestock is needed in all sub-sectors, such as vaccinations, survey and sampling, AI (artificial insemination) and embryo transfer technology.
- Fisheries need information of the new species; we are not even aware of the varieties that are saline or from brackish water.
- We have some good varieties of mangoes in Sindh, but if we want to export them, then we need to seriously research the varieties that we have and the ones that the consumers in other countries want to buy.
- We can take 5-10% of the money that is available in subsidies and put that into the agriculture research and double its research budget. As a pitch, we can pitch that the subsidies can go to much better uses than now.
- In terms of food systems and linking rural with the urban, we need to look into developing services for agriculture and modernizing our extension services, and also providing opportunities for work for youth, which will reduce unskilled labor.
- There is also a lack of extension force, the network or the services in the livestock and fisheries. Currently, 80% of the budgetary allocation is focused towards cure, and not prevention from diseases, which is one of the major shifts required.
- Research and rehabilitation of our training systems need to be encouraged. WAPDA's research wing in Hyderabad, in the post 18th Amendment scenario, is closed now.
- In Sindh, we do not have a bio-saline agriculture research station. There is the Arid Zone Research Institute of Umerkot, but there is a coordination issue between the GoS and the federal government

Data Management/ Evidence based Planning:

- Some gap exists between information and analysis. Though there is very strong data at the provincial level, the data collected at the local level (in terms of specificities of each district) does not get used or integrated for analysis or sending back to inform policy. This links back to ensuring that the interventions we design are vis-à-vis specific agro-political zones, which is very important from a territorial implementation point of view of lands and has implications for both the type of transformation for agriculture and the water aspects.
- A mechanism needs to be in place to calculate how much should be produced for local consumption or for export purposes. Data recording or crop recording is directly or indirectly related to the production, regulation in the market and urban requirements. For instance, a few days ago the price of potatoes in Hyderabad was such that there was no potential to grow them. Another example could be of tomatoes – in that cluster the farmer should be reporting to the agriculture extension and should get the permit or

allowance that if the total requirement is 100 acres, the farmer can produce 10 acres. For the rest of it, there should be some substitute – such as crop diversification. There must be other crops as substitutes, along with better production and synchronization between production and marketing.

Human Resource and Capacity Building

- Human resources in both research and extension services are critically important. Research tends to be supply-driven because that is where the specialists are. Currently, there may be a specific configuration of the research scientists who tend to be production-type specialists. There is a need for a human resource program that develops more capacities in food science, evaluation of policies, etc.
- One of the things in the extension departments is that the staff really needs to be upgraded – it has to move from grade 11 to grade 16 as fast as possible. For example, Punjab does not know its staffing pattern, so a human resource plan in extension needs to be there as an important priority. We need to move from a welfare society to the one that is really an accurate provider of information through effective use of ICT and training. So, I think it's really important to think, and the same thing is true for research.
- Capacity building of the livestock sector is required. For a long time, there have been no PhDs from this sector; we need fresh PhDs in recent developments.
- We also should build the capacity of our training institutes: Agriculture Training Institute – Sakarand; and Agriculture Training Institute – Jacobabad. Through these institutes, we train our field staff and the growers; therefore, we need to upgrade these.
- At the agriculture extension, we have an organizational set-up at the grassroots level – workers are working at the Union Council and

taluka level, but they need some mobility facilities to reach out to every grower.

Suggestions for Priority Areas

- Donors stressed the importance of the GoS addressing the issue of water pricing policy that is directly contributing to the misuse of scarce water resources and inefficient agriculture practices (including disincentives to make investments in improved agriculture-related technologies). The lack of water pricing acts as a subsidy for water inefficient cash crops (i.e., cotton, sugar, wheat and rice), while creating further disincentives to invest in agribusiness and related infrastructure to grow nutritious crops and bring them to market (fruits, vegetables, pulses, and nutritious oils such as olive and canola).
- The real issue is how to decrease to 70% water usage for agriculture – this is the real message we need to convey.
- Regarding poverty reduction, we all know that poverty really lies in the downstream level; how are we going to address that?
- We have to really move from input-based agriculture to value-based – that is the main point. Business as usual cannot be continued.

Collaborative Areas

Not only do infrastructure needs to be modernized, but also the institutions. For example, the Irrigation Department is a very old institution; there are 33,000 people, out of which 20,000 are labor. The major problem of the Irrigation Dept. is operational management rather than planning or monitoring. Once GoS is really committed to improving the governance, mobilize the institutions and also move towards integrated water management, the WB is there to build. This is an immediate issue to discuss for the province, as it will have implications for the next 50 years. We are just finalizing the preparation for the Sindh Barrage Program, which will support the Sukkur Barrage;

we would also like to support the Kotri Barrage, as it really needs to be strengthened and modernized. We can fully support upgrading of the infrastructure, but not rehabilitation. We have to make the system ready for such drastic change in order to achieve a reduction in water usage to 70%.

Synthesis of the Working Group Discussion

The synthesis of the working group resulted in the identification of priorities and strategies and was presented in the plenary session.

Key Priority Areas for Collaboration

Box 3

Key Priority Areas for Collaboration: Agriculture and Food Security

1. Germ Plasm and Gene Pool Improvement Program for conservation and development of agriculture, livestock and fisheries
2. Integrated water resource management; we must address water pricing (and its relationship to water inefficiencies) and its undermining investment in nutritious agricultural crops
3. Agribusiness and inclusive food and non-food production systems
4. Strengthening and upgrading research and extension services in agriculture, irrigation, livestock and fisheries departments, and institutional linkages
5. Climate-smart, resilient and precision agriculture

Sector Two: Economic Growth, Private Sector and Public Private Partnership

Introduction and Background

After an initial round of introductions by the participants, the Session Moderator/Chairperson of the Sindh Board of Revenue provided an overview of the session objectives and the development challenges faced by the sector so that these can be addressed through the deliberations. The key points and issues are summarized below.

Key Challenges

Synergy: There are too many donors and too many interventions. Therefore, instead of reinventing the wheel, there is a need to coordinate efforts.

Skill Development: Our efforts, including those in connection with CPEC, need to have an explicit focus on skill development; we should be able to put business on ground and create more employment for people.

Not Demand Driven:

- There is a huge demand side problem in this country in general and Sindh in particular. Sindh has lagged behind where demand is concerned because we have not created enough industry and business.
- At present, Sindh contributes to 28% of the GDP, whereas Punjab contributes in excess of 53% (cf. 2012-2013 figures).
- 40% of large-scale industry comes from Sindh because of Karachi. However, we are missing out on several opportunities in terms of growth sectors in Sindh. These include:
 - ✓ Agri-business
 - ✓ Services – Punjab is leading, whereas Sindh is lagging. Since Sindh is fast urbanizing, we should create more services.

- ✓ Textile – Karachi used to be the hub of textile; things have moved to Punjab. There are political issues; otherwise, industry used to be the backbone of Karachi.
- ✓ Value addition across industries – we have minerals but no processing; mangoes but no pulping unit.

Enabling Environment or Ease of Business:

- Then, there are other issues such as gas, electricity and transportation (roads).
- Crime is not an issue there anymore. We have addressed that.
- Infrastructure development has to be a parallel – e.g., there is airport in Islamkot (the process is there and it is viable.)
- Government is now committed to privatize because government funds can never suffice.

Focus of Session

The discussion needs to focus on growth that is viable and sustainable. The key questions highlighted at the opening of the session are listed below.

Key Questions for Discussion:

- How do we mobilize industry outside Karachi, i.e., in other parts of Sindh?
- What should we do? What should the private sector do? And, what should we do together?
- How do we revive light manufacturing and light engineering?
- The skillset issue needs to be discussed – i.e., what kind of human resources do we require, and what is possible?

Key Discussion Points

Light Manufacturing

The discussion on this topic opened up through seeking a response to the following key questions:

- Why have we lost on light manufacturing? These are resource and labor-intensive. We have now started exporting.
- What should we do to revive light manufacturing and light engineering? What is the current situation, and what needs to be done?

The main responses to these questions and general comments made are listed below.

Issue of Economic Growth – General Comment:

- Economic growth is linked to investment – that is the most important driver. And investment goes to the area which is attractive. We need to make Sindh more attractive in terms of issues such as fiscal incentives, ease of doing business, regulations, etc.
- With reference to Karachi, its port is the most important aspect. It used to be just a fisherman’s village but as soon as the port was developed, it gained significance. We have two ports in Pakistan, but 80 million rupees’ worth of the entire trade is dependent on Karachi. Therefore, Karachi is one of the most important assets, and that is the reason why we had the industries situated in Karachi.
- However, due to the law and order situation and other reasons, most of the industry shifted.
- Fundamental requirements for attracting more investment include:
 - Further continue this improvement in law and order situation
 - Better governance
 - Ease of doing business, which GoS is already working on. You are competing with not only other provinces but other countries also, and Pakistan ranks 148th on the global indicators for ease of doing

business. So, improving Karachi will improve the rating of the entire country. The second aspect relates to the details of setting up business – issues such as electricity, gas connection and legal aspects.

- Unfortunately, in Pakistan we have not developed entrepreneurship, as described in SDG’s last part, “promotion of innovation entrepreneurship.” It is important to develop this culture of innovation and entrepreneurship in Sindh by promoting ease of doing business – i.e., incentivizing, creating a culture of rewarding innovation, etc.

Light Manufacturing:

- We need to identify within light manufacturing the aspects where Sindh has an advantage. Is it in relation to agrobusiness – e.g., having a mango pulp machine in Mirpurkhas and other areas? And what is the connectivity?
- If we are talking about exports, then the Sindh Board of Revenue needs to identify “specific” areas needing investment where light manufacturing would be more feasible and also indicate the advantages that can be offered for targeting these areas.
- Other examples of light manufacturing include engineering goods, and one of the basic industries that we require is a steel mill. The one we have in Karachi was in the public sector; it was not the business of the government to run businesses and, so, the steel mill was in a loss. There is a huge viability for investing in a steel mill in Karachi.
- We need to develop basic industry. We have to protect our industry.

Approach to Prioritizing Areas for Economic Growth

With reference to the priorities listed in the documents, some observations made are listed below.

- The way priorities have been identified is using a wrong approach. For example:
 - Priority #1 (labor-intensive light manufacturing industries that serve the domestic market are linked to GVCs and can create millions of jobs) and Priority #3 (scaled-up existing heavy industries based on the natural-resource wealth of Sindh and Pakistan) are contradictory.
- Priority #4 (moving up value chains and, thus, increasing the embodied services extensively and intensively) and Priority #5 (increased reliance on export of services and embodied services, and not on export of workforce) are already embedded in others; if you achieve others, these already get achieved. The second wrong thing is that we should not “pick up the winner at the beginning.” No one in Sindh, Pakistan or the world could decide which sector is going to be the winning sector.
- We should base everything on evidence; the issue must be understood comprehensively.
- We need to avoid jobless growth – so we are looking at the labor-intensive markets. According to SDG 8.6, by 2020, Pakistan has to reduce the number of young people in the NEET sector. Sindh is the first province to have BISP, but we need to focus that on the NEET and increase the income.
- What is the focus of the priorities – increasing productivity, the existing quality of the products, or value addition?
- The focus should be on inclusive growth – other areas of Sindh also need to be involved in the economic growth process; this will not only take the pressure away from Karachi but is also important from the equity perspective.
- In the long run, one cannot rely on the raw material for that will not be sustainable, but in the short or medium term, the focus needs to be in terms of where the potential is and where the raw material is – i.e., where we already have enabling environment.
- Though we focus on the indigenous needs, we need to see where the market demand is,

regionally and globally. We can use the example of mango – our opportunity was the better-paying markets in Europe. So, based on that opportunity, we worked backwards to focus on how we grow mangos, label them, package them, and what the quality requirements are from the market – so that was a comprehensive strategy.

- Sindh needs to take leadership to take benefits from the CPEC and the Chinese investment. We also need to look at how beneficial it is to take the eastern route: Although we talk so much of Gawadar, KT Bandar can be a much bigger opportunity than Gawadar and that itself needs a separate discussion on the entire route and the economic free zones.
- We need to work on drivers such as job creation and competitiveness, and we must take a very focused approach to building competitiveness across all drivers. The recent ease of doing business reforms is a step in the right direction.
- It is very essential that the federal and provincial governments are aligned with the global development priorities.

Reflections on Sindh's Progress

- If you look at Sindh's economic situation, the performance has been sub-optimal. Looking at it historically, Sindh has failed in social transformation. As compared to other countries, Sindh has potential for progress, but there has been a failed structural transformation in the province. The key point is: “there is a fragmented development in Sindh itself” – that's the backdrop of Sindh now.
- If we look at the bigger context, CPEC is a great thing coming to Pakistan and to Sindh – this will have a major effect on Sindh because it has two big ports. So whatever we discuss must be linked with CPEC. Then, there is also corridor development supported by the ADB.
- The best approach for Pakistan in general and Sindh in particular is to invest in economic

development in Pakistan. In addition, efforts should be made to enrich the CPEC corridors, the direct corridors and the other corridors that are there so as to create linkages to make Pakistan part of the global production network and value chains.

- The *light manufacturing* might be relevant within this broader context of economic corridors and Pakistan becoming part of the Chinese development and Asian development process. As part of the process of developing their economy, countries often start moving from agriculture to manufacturing, and there comes a time when some kind of light manufacturing is no longer economically feasible in that particular country. For instance, the industries (e.g., Samsung) which were heavily based in India and China are now moving out to other countries; the industries working in Vietnam and Cambodia can no longer work and need to move out. Pakistan is supposed to be part of this relocation of industry or manufacturing – that is already happening in Pakistan. And, why it is happening – that is the most important question.
- Real estate is a real signal of growth; if that is increasing, then the country is really moving in the right direction. And Hyderabad has one of highest global demands for hotels.
- Nooriabad is a very good example of the efforts made by GoS. We are now ready to execute our next economic venture – i.e., the Economic Zone of Dhabeji. GoS is investing in Dhabeji as an industrial hub, not just for Sindh but for the entire region.
- What happens usually is that as soon as the fiscal incentives spread out, people tend to migrate to that area. Therefore, it is important to think in terms of the kind of industry that needs to migrate to this economic zone. The special zone should be about how trade can be facilitated and what kind of services can be provided, etc.
- What Sindh has been failing in so far are three things that can be offered as an analysis:

- a) Lack of consistency – e.g., consistency of policies and other things. If you look the growth of Sindh, we do not see a single strong driving force that can get Sindh into the high-income level.
- b) Lack of diversification, which is evident from the export.
- c) Lack of connectivity.

- Because of its geographical position, Sindh has a lot of potential: It has a long history of industries, including large manufacturing, but somehow this is not reflected in the current situation.
- We also need to look into past initiatives – the industrial city (such as the garment city, textiles, the industrial path). We know why such initiatives fail. One of the reasons of failure is that they require skilled labor; the other reason is water consumption – that needs to be looked at before we think of taking new initiatives.

Regional/Global Examples – Comparative Perspective

- In 1964, South Korea was recommended to go for rice farming because of the kind of soil and climate that they have; however, they decided to go for manufacturing instead because rice farming was going to help only for a few years, not in the long run.
- We need to look at the regional best practices – how they have done it, and how we can learn from those. Our competitors are doing better.
- We need to identify areas to leverage from the regional development.
- If we look at the structural transformation literature, so many economies failed in the industrialization stage. Many of them are still stuck in the lower-income level. We need to look at the reasons.
- Moreover, with reference to private sector development, it is important to note that the private sector is about profit maximization. Therefore, if the private sector has not strived

in any sector, this means that there is a problem in that sector. The government's job is to make sure that there is growing business, and in terms of reforms, we should learn from the best practices of what the other countries are already doing.

Areas for Light Manufacturing:

- Some good things have happened here. For example, in Hyderabad, there are motorcycle assembling and rickshaw assembling, as well as plastic packaging; these are the growing sectors. We have many agriculture related clusters – food and vegetables – but what we do not have are the agro processes.
- We should think about manufacturing parts.
- The field of auto parts is developing but we need to identify the industries that tie up with other industries – that is where the light manufacturing can be relevant.

Private Sector Involvement/Public Private Partnership

- What would be the course of the PPP?
- The main problem with this light engineering sector relates to basic requirements – this light sector requires basic training; we need human resources. Therefore, these areas are less attractive for the private sector despite incentives under PPP; the private sector may instead invest in the Hyderabad-Mirpurkhas Road as an attractive area for them.
- The private sector may invest, but the government has to play a key role in provision of basic facilities.
- We should have a clear strategy from the government sector to involve the private sector in unusual terms, not as private or public sector; otherwise, why would the private sector come and work with the government under PPP?
- Up to 50% should come from this industry.
- While thinking of PPP, the government should ensure that there is equity of the private sector partner also. Over the years, there have been

so many PPPs carried out without ensuring the private partner's equity.

- The private sector is all about profit maximization; it is the government's responsibility to ensure what is good for the province. The private sector will extract a cost – whether its extraction involves land or soil or labor.
- Private sector issues need to be understood more comprehensively. For example, what normally happens is that the government or other such programs reach only the 10%, i.e., the large industries. Support services do not reach to the small units (that are more in number); therefore, the overall base is not increasing. Even if we look at the number of exporters in Pakistan, they are the same since many years ago; new exporters are not joining.
- Then, there also are serious issues related with the association. The chambers need serious capacity building, and this is very important so that they can convey the message to the bottom.
- The private sector needs to do more instead of putting the onus on the government. If the private sector focuses on the national priorities, money will inevitably come (refer to the program in West called “People as profit managers” as a representative example). The private sector should not necessarily be seen only for profit maximization at any cost.

Enabling Environment or Ease of Business

- There is a need to incentivize the industry – not in terms of money but in technical and operational terms.
- To attract investors, we have to regulate things (through bylaws and regulations). There is anecdotal evidence (through friends' experiences) that the inspectors come and take money.
- Business environment also means “access” (e.g., to procedural details such as how to do it step by step) for foreign investors. They face the

challenge of accessing the Board of Investment; the email addresses need to be functional/accessible.

- Why is there no arbitration in the trade sector in Sindh? There is trade precipitation; the markets are dispersed. For instance, how can the mangoes that have no certification be exported? All the sectors are missing the supply chain; that is the broken link, and economic corridor offers an opportunity to discuss the broken links.

Human Resource Development

The skillset issue needs to be discussed – i.e., what kind of human resource do we require, and what is possible?

- We need to identify what types of jobs, skills and laws are required.
- Light engineering, the automotive industry, has the potential to double its capacity in 6 years. This implies that if 10,000 people are working in the automotive sector now, we will need around 20,000 people in the next 5 to 6 years. This also implies that we need a system of human resource development, collaboration and public-private partnership in place.
- It is important, first of all, that we are able to understand the mid-term goals (in terms of strategy) so that we are able to respond in terms of HR requirements for the sector.
- We need to foster skill development and micro-entrepreneurship for service delivery and for light manufacturing. Industry pays less to the workers because they may not be effective, and we do not need cheap labor for Pakistan, but effective labor.
- STEVTA is focusing on steps for *agro-trade*; the graduates know exactly what they need to know, but the missing link is that there are no incubation centers and funding opportunities for them to become part of the supply chain.
- The graduates have the skills to run businesses and add value to the *agribusiness*, but they are

unwilling to take loans and pay interests or loans that require large interest payments. Therefore, if opportunities are made available to them such as provision of seed money (through microfinance organizations), registration and legal processes, the supply chain can be more effective.

- We need to review our e-learning system, as such systems can help in expanding the capacity.

Issues related to Private Sector Involvement

- Though the private sector is looking for skilled workers, they are not able to get these workers from the public sector training institutions such as STEVTA, as these institutions do not look into the supply side. This leads to the 'supply-demand' issue.
- The technical vocational training institutions are not producing the skills because they do not have the resources. The private sector can contribute, but there exists the problem of "trust deficit" between the private and public sector. This gap needs to be bridged through actions such as inviting the private sector to forums and meetings, and to be part of the committees.
- Every year so many young people graduate in Sindh alone, but there are not enough jobs and the solution is "entrepreneurship training." We need to come up with a strong (360 degree) training program, which could build their capacity to design products, access the markets, etc.
- GoS intervention in terms of STEVTA is at best sub-optimal; they have not performed. Favoritism or bureaucracy will not help. It should be given out to the PPP Unit. Public funding and private execution is the best model; we should make the private sector part of the process of capacity building.
- The GoS has been asking the Aman Foundation to help with the skill development.

Integrating the Informal Sector

- There could be different models for skill development – one could be an incubation model (initiated as a pilot project); the other could be apprenticeship model, where we can bring in *ustads* into networks so that they can provide relevant and practical training.

Human Dimension of Economic Growth

- 73% of the workers are completely out of the social security rights that all the other workers are enjoying – how are we going to mainstream that?
- We need to look at the laws, and also at how effective the organizations are in implementing these laws.
- We need to focus on reducing inequalities and promoting productivity, such as through social protection programs. Poverty reduction is being discussed, but the social protection side of the economic growth side also needs to be there in comparison with other countries. We need to look at the labor policy, not just for the formal sector but informal sector also.

Small and Medium Enterprises (SMEs)

- Out of its 3 million or so businesses in Pakistan, 95% or so are SMEs; whereas, government policies still tend to be tilted towards large-scale industries. Access to policy corridors is also perhaps more skewed towards large-scale industries.
- For any policy making, the GoS needs to take into account that 95% businesses are SMEs.

Agribusiness

Backdrop

- Agriculture being a major part (67% of agrarian economy), we need to look at markets with reference to Agribusiness. We have not added

value there. For example, we started growing organic cotton yarn in Baluchistan and Sindh, but now we have started importing.

- The other issue is that the industry is not using the best quality of mangoes (for mango pulping) or guava. The entire supply chain in the agri-business needs to be looked at.
- Some of the other industries that are auxiliary industries, which feed into the sector, are your supply chain network – warehouses, cold chain, transport and commodity exchange.
- The GoS has now started trading of the red chillies merchandise on the commodity exchange, so the entire business needs a boost. We need to look at the shortcomings and also at how to involve the private sector in agribusiness.

Discussion

- Sindh is under performing in terms of the national average; we have about 40% of participation, out of which 20% is in the rural areas and 8% in the urban areas – that seems counter-intuitive.
- The reason why the private sector will not invest in Agribusiness is because “unless I control the entire thing and manage it, I will not invest in it.”

Agribusinesses as Social Businesses

- Sindh is the only province in the country which has a fund that supports financially and strategically important agribusiness. For example, we supported a business of industrial egg manufacturing. However, despite this incentive, there is no demand; people still do not come forward to undertake agribusiness. An important question for GoS is how the private sector can be brought into agribusiness.
- One of the issues revolves around current landholding structures, long leases, etc. To understand the specific nature of issues, the GoS needs to hold separate meetings with the business representatives of these sectors.

- The solution is to work on the demand side – create demand and that will attract people to agribusiness.

Gender Responsiveness

Backdrop

- For every 11 men working in Sindh, there are 2 women who are not working. There could be many factors explaining this disparity – mobility, cultural factors, workplace safety and others. We are nowhere near the stated goals, not just in terms of the SDGs but also in relation to the Vision 2025 document, which states that by 2025, we would like to have 45% of post participation. How do we achieve this vision with a baseline which is very low?

Services Sector

Preamble

- The services sector in Punjab is doing much better; what does Sindh need to do to go in that direction? GoS wants to energize this sector.

Comments

- There is some kind of dispute between Sindh and Punjab regarding GST on services; we need to address this disparity rightaway.
- Transportation in Punjab is quite good, and that is one important reason for the success in motivating investors there. Punjab has, in fact, been attracting investors from Karachi also. In Sindh, we only need one success in a sector and that can help attract the investors.
- There are two kinds of service delivery – private sector and public sector. GoS can create service delivery through PPP. One example of that is how the Aman Foundation is working with Sindh; this will create an entirely new service delivery structure for the province.
- The service industry bandwagon may not be a useful focus in the long run, and we will need

to create other areas – we need to create jobs and employ people. The government must have a robust, flourishing sector to first of all employ these people because there are not sufficient manufacturing jobs today, especially since it is easier and quicker today to create a service delivery fund than to set up a large industrial mechanism, as we need large funds for that. The service industry is a low-hanging fruit, and with many foreign firms coming in, we do not have a sufficient number of service providers. It is, therefore, a sector that the GoS should be focusing on to move forward and invest in.

- One factor that can really contribute is the IT sector – i.e., the service industry that could provide e-commerce, online business or e-business. Therefore, the question is how we can prioritize policies which can give a boost to the private sector, whether it is one single person like Ali Baba in the case of China or an organization.

Governance

- The 18th Amendment has taken place but not in practical terms, as the GoS is not even consulted in certain things that get done at that level.
- GoS has been working on standardization regarding compliance issues – e.g., we have got the food regulatory authority or drug regulation.
- The Sindh government does not enjoy a very good image in the private sector: “...Sindh is known for being very quick developing good policies, but weak on implementation, and extremely weak on enforcement....”
- An alternate perspective (by GoS) is that Sindh is the most progressive place for public policies, especially when we talk about PPP or cash transfers or partnerships in the social sector as well.

Areas of Collaboration

- We can work with the government at two levels: One is building capacity of the economic pool for better enforcement of the labor laws; second is the enterprises so as to enhance their compliance level with the required standards. We are trying to build two programs for Pakistan. One of these is the “Better-off” program, which is for the large industries to a) increase productivity and b) enhance their compliance.
- USAID is working in three areas which we can give to different provincial governments. These are:
 1. Creating a business-making environment in which we are waiting for/engaging with the provincial government to give us their list of areas for technical capacity building. Then we can put them in touch with the private sector stakeholders that we are working with to bring the agenda directly to the government.
 2. We are setting up a network of the business development service providers, which the project is going to subsidize at first. That network will also be available to the industry.
 3. Then there is the Development Challenge Fund, in which competitive grants will be provided to the private sector to help

solve the challenges that the region is facing.

- The development partners are going to contribute much to the province –however, donors talk about restructuring or increasing capacity. We do not see the development partners taking a chance on any sector in a business venture.
- In response to the above comment made by a government representative, the following two comments were made: 1) USAID is suggesting capacity building but is also engaging with the private sector as well as the government, providing funding as well as services; and 2) the donors also have their sector priorities, which they need to consider.

Priority Sectors

In Sindh, aqua culture could be the most promising sector –fisheries or aqua-based industry holds high potential for Sindh.

Synthesis of the Working Group Discussion

The synthesis of the working group resulted in the identification of priorities and strategies and was presented in the plenary session.

Box 4

Provincial Overview: Economic Growth, Private Sector and PPP

- Sindh contributes only **28%** of the national GDP, as compared to **53%** from Punjab, whereas 40% of large business output is generated from here.
- Two strategic level ports handle **80%** of national trade. With CPEC rolling in, their immense potential needs to be harnessed.
- **In relation to skill development, job creation and labor productivity:**
 - Starting salaries for TVET graduates hover around the minimum wage.
 - OJT models are beneficial for both employers and graduates but are not widely accepted.
 - Women's potential is not fully tapped.
 - There is a lack of incubation facilities and seed funding for potential micro-entrepreneurs.
 - There are large variations between formal and informal (“ustaad-shaagird”)
 - TVET tracks.
- Donors stressed the importance of the GoS addressing the issue of water pricing policy, which is directly contributing to the misuse of scarce water resources and to inefficient agriculture practices (including disincentives to make investments in improved agriculture-related technologies). The lack of water pricing acts as a subsidy for water-inefficient cash crops (i.e., cotton, sugar, wheat and rice), while creating further disincentives to invest in agribusiness and related infrastructure to grow nutritious crops and bring them to market (fruits, vegetables, pulses, and nutritious oils such as olive and canola).
- **What Sindh needs to jump-start its stagnant economic growth is a combination of three factors:**
 1. Inter-temporal approach with short, medium and long-term economic visions developed in consultation with all relevant stakeholders
 2. Focus on creating a favorable investment climate across the province, particularly for SME-dominated sectors such as Agri-Business, light manufacturing and service industry (these are sectors Punjab has taken a lead in), along with international standardization
 3. Enhanced focus on skills development to compete internationally with productive labor

Box 5

Key Priority Areas: Economic Growth, Private Sector and Public Private Partnership

Provincial Level/Strategic Decisions:

1. Embrace and develop extensive transport corridors to capitalize on Global Value Chains
2. Shift focus away from Sunset Industries
3. Although no specific winner should be chosen, some industries need to be focused on as “champions” in order to capitalize on synergies – e.g., auto parts, food processing, mineral processing (value addition in general)

Favorable Investment Climate:

4. Standardization of goods for compliance purposes, along with encouraging businesses with diversified portfolios
5. Ease of Doing Business – microenterprise incubation centers, favorable tax benefits, reducing procedural burden and deregulation
6. Rewarding innovations, particularly in the SME sector – grants and innovation competitions
7. Ease of access to relevant government departments; Boards of Investments to be linked with all other departments

Sector-wise Industrial Reforms:

8. Light Manufacturing – Skill development and favorable microenterprise atmosphere, with emphasis on spare part development
9. Agri-Business – Focus on the development of “social businesses” to promote community development. Also, target specific agri areas such as mango and guava-dense regions for setting up agricultural processing units
10. Service Industry – Encourage exportable professional services – encourage international and national investment in the service industry

Role of the Public Sector (what the Sindh Government should work on):

11. Enhanced support to skill development, specifically microenterprise development via PPP
12. Extensive mapping of activities in the public and private sector in order to identify opportunities for synergies
13. Government to ensure an investment climate which looks after provincial interests while allowing the private sector to maximize profits

Box 5 (Continued)

Key Priority Areas: Economic Growth, Private Sector and Public Private Partnership

Skill Development to Promote Job Creation and Labor Productivity:

Enhanced labor productivity would benefit small and large businesses across all sectors and encourage foreign investment:

14. Promoting On-Job-Training programs for labor to be trained on the latest technological innovations:
 - This would also significantly reduce the cost of re-runs for businesses.
 - This could be instrumental in providing a steady supply of trained labor for the service industry as well.
15. Formalizing the informal sector: Bringing “ustaads” and small informal workshop owners into the formal fold through skill development institutes:
 - This would allow small informal businesses to benefit from trained labor and access to other network resources.
16. Microenterprise Incubation Centers and Seed-Funding:
 - These can add to supply chains in varying sectors, including light manufacturing, agri-business and services.
17. Increase trust in provincial technical training bodies, such as TEVTAs via PPP units.

Sector 3: Education

Introduction

Education is one of the most crucial development challenges. It has no linear relations within and across sectors; thus, it is very complex undertaking. Putting education in the context of SDGs, one of the participants observed that SDG 4 [education] is a very comprehensive goal. We need to pay respect to all the targets – this means that we need to address the problem in its entirety. The session moderator opened by introducing the format of the session. The following paragraphs capture contributions of the panelists and participants in a thematic manner.

Accounting for “Missing Results” – Fall of Governance

Sindh has experimented with cutting-edge reforms such as test-based hiring and, real-time monitoring, but, unfortunately, we do not see results – a big frustration for all working in the sector. What are we missing that we are not seeing the results? Governance, Governance, and Governance. We have to look deeply into the issue of teacher management. We need to bring teachers back to work whether it is through accountability or motivation. This is the crux of the matter.

This means something has gone intrinsically wrong with the way we are managing our schools. Administrative response to this deep-seated problem is basically treating the problem without understanding the core of it. Should we continue our massive spending on teachers without considering whether they are able to teach or not?

We started reforms in 2006. Now after 12 years, still not much has been delivered. We have set the stage. We have an education sector plan. What are the outcomes? Not sure.

- Teachers are sent to on other duties such as elections. This is called “authorized absence” from teaching. Should we continue with the authorized absence of teachers?
- Teachers comprise half of the total public employment. It may not an easy matter to conduct an election without teachers on duty to help.
- Are we adequately organized to deliver quality education? Do we have professional know-how and capacity to deliver? The implementation structure is there, but it is not functioning. We must relook at the implementation structure to make it work. There are many policies, but no implementation.

Sindh’s Performance on Educational Indicators

There were several comments made about the performance of the system. The following bullet points capture those comments:

- On several indicators, Sindh is performing very poorly. Our SAT reports also validate other reports on poor learning outcomes.
- Expenditure is increasing, but learning outcomes are the same. SAT results from the last four years indicate no change.
- Trust in the system is depleting fast. Even a maid is reluctant to send her children to a government school. Trust can be created by teachers’ competence and character. The government needs to work on ensuring that teachers have both characteristics.
- The college sector is also facing the same problems as are public schools. Students are choosing not to attend due to concerns about quality.

- Raising learning levels should be a priority in the province – all countries are struggling with this. It is also a part of SDG.
- Before pumping more money into the system, we should audit the efficiency of the money earlier spent. We also need to look at the aspirations of the society, and the rest can be informed by this.
- There is a problem of the medium of education in Sindh. The main medium of communication is Sindhi, but our pedagogy does not align with that.
- We do not have the institutional arrangement to get 18th amendment implemented.
- Our policies and plan do not cater to children with special needs.
- This year we are upgrading schools 554 primary schools to elementary schools. This is the area where the drop-out ratio is higher.
- The School Education and Literacy Department (SELD) deserves congratulations on the inclusion of early childhood education (ECE).
- The quick transfers of secretaries negatively affect the performance of the system. Secretaries should remain in their positions for 3 years at least – there should not be fast transfers.

Doable School Portfolio – A Rationale for High-Priority Schools

We have about 50,000 public schools, which is a huge and almost unmanageable number as it is now. There are many schools that are not schools actually; some schools have only around 5 students enrolled. This is not a viable school, and there are several non-viable schools in the public sector. We have inherited this structural issue. The crux of the matter is also getting politicians to gradually set matters right. There is a need to adopt a Pragmatic Policy Framework as it was used in Korea. Let us see what is doable.

We have identified high-priority schools using Pareto's Principle of 80|20. We identified 9,000 schools, and in the first phase we will be working with 45,560 schools, which were selected on the basis of six indicators such as having at least 6 rooms and 6 teachers. We will focus on a doable portfolio. There are a host of other issues we are addressing. We have a stock of 100,000 teachers. There is a system which needs to be implemented at an accelerated level.

Another aspect of enhancing do-ability is to focus on critical functions only. An engineering wing should not be part of the school system. It should not take the time of the education department. Section 42 kind of company may do. School Department should singularly focus on three key educational outcomes: teacher professionalism; school-based management; and educational materials. If the Education Department will be looking at 20 different things, nothing will happen in a proper manner.

Some Updates from Senior Educational Management

In addition to rationalizing for a limited school portfolio, the Secretary of Education and other senior participants from the public sector shared the following updates:

Mainstreaming projects: GoS is seriously considering mainstreaming certain projects. For example, the Sindh Reading Project will be sustained, and we will be hiring employees for its continuity.

Private school data: For the first time, GoS is doing a census of private schools. This will provide a lot of useful data. The contract is given to a third party.

School industry connections: Asian Development Bank (ADB) will be working on the Sindh Secondary Education Improvement Project (SSEIP), which is working on improving access to secondary education and reducing the wide gap between primary and secondary education enrollment.

PPP is One of the Biggest Portfolios

The discussion about PPPs came up in the deliberations more than one time. By and large, PPP was seen as “part of the solution” and, thus, suggestions related to the expansion of their role and coverage also came up. The following are summarized comments about PPP.

- Pakistan handles one of the biggest portfolios under PPP. Yet, we are treating PPP as a by-product. We need to take PPP into next generations. A massive review is needed to determine whether we are able to scale up. Can the private sector handle the number of children who need to be in schools in Sindh? The private sector needs to be energized.
- PPP should not be “dumping,” rather “partnership.”
- PPP should not be restricted to a selected few schools – there always a danger of privatization. People should have a trust in the public sector.
- SEF can be considered as a PPP node. In Punjab, all PPP is done through PEF - institutional restructuring – one window for PPP.
- PPP should not be romanticized as a one-time phenomenon. PPP may be seen as helping in more functions, such as assessment, IT and innovation.
- Some public schools are “on ventilators” – only PPP can help.

Devolution of Authority

“Centrality of authority” has been a long-standing issue in the discussions of public sector education – authority has to be delegated. A secretary cannot manage 50,000 schools. We need to devolve authority to the lowest tiers. There is a need to build the capacity of the district education officers. The financial authority needs to be devolved to the lowest level.

Need to Build “Resilient Schools”

The world has changed very quickly. Violent extremism is prevalent, and the situation is now far more alarming. As of now, we are a “society in transition.” We should keep on looking into the curriculum and teaching practices. We must come up with a product that can build a resilient school, with a school calendar that is tolerant of minorities. We need bold steps in order to build a more tolerant society. Another participant indicated that our current curriculum is standards-based and not bad at all.

The Education Sector Has an Unfair Burden

The education sector has the unfair burden – a burden of youth is dumped on education. What can other ministries, particularly youth ministry, do for education? We are among the lowest 5 countries in the world in terms of vertical movement of education, i.e., who enters into primary school and leaves in the university. Youth centers should get more attention – youth comprise 60% of the population.

Education is a societal issue – see what kind of society we have constructed.

Teaching and Assessment – The Core of Educational Processes

Teaching and assessment, which are related issues, occupied a good space in the group’s deliberation. The key points raised or comments offered follow:

- Teachers need to be updated on technology – this is also an important factor. Teachers’ content knowledge is very weak. Becoming a teacher is the lowest priority. Most training programs focus on pedagogy rather than their weakest point – content.
- The matter at stake is quite complex. We need to give more thought to the issue.

We easily blame teachers as they are on the front line.

- Our conception of teachers as “dispensers of knowledge” rather than as “intellectuals” is problematic. NTS qualified teachers are far better. We need to take care of them. They are being overshadowed by those who do not want to teach. Please promote the doers.
- On the 80|20 principle, teaching and assessment make the 20% that is responsible for 80% of the results. Without dealing with “teaching and assessment,” a fundamental change cannot come. Currently, assessments are few and there is corruption in assessment. Grade 6 students cannot pass grade 3 assessment. The cost is clear-cut: an uneducated nation.
- Why are we not talking of assessment at earlier grades? Our teachers need to be trained on assessment.
- Regarding assessment, we have an assessment policy. PEACE is responsible for the policy.
- For teacher management, accountability and professionalization, the Sindh Teacher Education Development Authority (STEDA) was established. we lost our way somewhere.
- Regarding professionalization of teachers, as it is very central to the problem, we should initiate a licensing regime through an independent party.
- The school has no authority over a teacher. We see misbehaviour and misconduct by teachers, but HT cannot take actions against them.
- How should we deal with the bulk of teacher who cannot read well? This is a very complex matter. We cannot even sort these teachers simply by giving a test—it requires a strong hand. While actually designing a way forward, we must consider these dimensions.

- Assessment of learning is very pathetic. We have analyzed the papers of two boards over three decades (the last 30 years). Half of the questions are the same, and another 20% reflect only a slight change in language. The questions only test the memory of the students. This system needs to be changed. Now no one believes in the results of the boards – creating a large credibility deficit.

Private Sector Schooling

There were several comments made by the participants regarding private schooling and education. These comments range from “high appreciation to critical assessment,” and a summary follows:

- If anything has worked in this country, it is the private schools; private schools are producing better learning outcomes as compared to public schools. We can learn from them, as they have worked.
- Private schools have an entrenched culture of charging tuition.
- NEEC results show that private schools are performing poorly. Similarly, in TCF schools, research indicates that only 30% of students in grade 5 can do two-digit mathematics.
- Public and private schools are qualitatively different in terms of environment and peers. The public schools are at quite a disadvantageous position. In addition to that, a private school can hire/fire teachers, while public schools cannot. In public schools, two factors are missing: school-based management and accountability.

Alternative Pathways

ALP is really important in the context of Sindh, where there are 6.7 million out-of-school children. We should think about where these children are going? Our dropouts and/or those who were never to school need special attention. There is a need for allocating more resources and a need to develop the framework. We also need to build the capacity of NFE at a district level.

Some other comments related to ALPs were:

- Doing a small thing in marginalized areas can bring several out-of-school children into school.
- ALP cannot be delayed or ignored – it is the reality.
- Children who actually missed the opportunity for schooling should be put on our radar of attention.
- The adolescent child is most ignored and is at risk – the youth minister also has to cooperate.
- Using existing infrastructure for ALP is a useful modality. Balochistan is using existing schools for ALP.
- We need one functional unit responsible for ALP in all districts of Sindh.
- Accelerated learning programs beyond the primary level are needed.
- Schools need to be connected with the world of work. Industries should also work with schools.

Learning Technologies Can Improve Results

Yes, there is consensus on the poor state of education in Sindh. Introducing innovative education technologies will bring results. The practical way forward is that we test the efficacy of learning technologies. EMO schools should be the pilot schools for technology-based learning solutions. [This idea was partially contested]: ...“Let me oppose this. SEF is already doing it in humble

contexts. You are welcome to see how it is implemented. Remove EMO; the rest is fine.”

Donors’ Coordination at Input Level Is Not Promising

“The Paris Declaration on Aid Effectiveness” and the following “ACCRA Agenda for Action” put governments in the driver’s seat. Sadly, this is not happening in Pakistan, and especially in Sindh. The government should regulate development partners’ coordination. There is some coordination, but we are not coordinating at the input level. We are not developing synergies – donors’ coordination is a myth in this country. A senior public servant responded with a light comment: “We are thinking to develop M&E for donors.”

Reforms and RSU

Reform Support Unit (RSU) should only work on policy matters, and it should not get engaged with implementation. In addition to that, currently, RSU is an island in the education department. It needs to be integrated into the organogram.

School Leadership – A Long Way to Improve

We do not have any authority at the school level. The head teacher has no power. This is an important position and requires professionalization of the role. It took 3 years to deploy 900 head teachers on test-based recruitment. It took one year to sign the letter of head teachers – such a slow bureaucracy. Despite hard efforts, there is a gradual improvement only.

Synthesis of the Working Group Discussion

The synthesis of the working group resulted in the identification of priorities and strategies and was presented in the plenary session.

Key Priority Areas

Preamble: GoS has increased the Education Budget from \$230 million to \$1.7 billion (in 8 years). The salary budget is more than 12 times higher as well. Student outcomes remain poor, however.

Box 6

Key Priority Areas: Education

1. **Upgrading school infrastructure**
2. **School-based management:**
Strengthening school management – devolution to school and district level with clear accountability
3. **Professionalization of the teaching cadre and the management cadre:**
This implies addressing also the structural problems.
4. **Assessment System:**
 - Regular assessment of students at regular intervals, and linking learning outcomes to teacher performance evaluations
 - Assessment policy notified in 2015 and needs to be implemented in letter and spirit. Third party assessment needs to be carried out once a year.
5. **Public Financial Management**
6. **Public Private Partnerships:**
Gender consideration for enrollment and retention through use of public private partnership as a strategy and also for focusing on the identified priority areas
7. **Alternate Learning Path:**
Alternative or accelerated pathways to education and learning (focusing on over-aged or out-of-school children)
8. **Innovation and Technology:**
Active use of new learning technologies

Box 7

Collaborative Strategies: Education

- Organizational restructuring from school to department levels
- Rationalization – High-priority 4,560 (Phase I) schools with school-based management and assessment at the school level
- Teachers' licensing, certification and CPD – initiate a teacher licensing regime through a third-party
- One window for PPPs and expanding their role; PPPs to be considered for piloting, testing and expansion
- Innovation, technology (STEM), curriculum to be cross cutting – all EMO schools to pilot tech-based learning and innovation, which can then further expand to all high-enrollment schools
- Functional Unit for ALP/NFE at district level, using existing learning spaces; out of the box PPP as envisaged in NFE POLICY

Sector 4: Energy and Infrastructure

The working group on “Energy and Infrastructure” had to divide their time into two relatively distinct sections: Energy and Infrastructure. The first part was related to energy, and infrastructure was taken up in the later part of the session. Both sections followed the same pattern: opening up with a keynote presentation, which was followed up by the discussion among the participants. Towards the end of the session, a final presentation was prepared for the plenary session.

Energy

Introduction to the Session

The session was opened with the presentation on energy sector, which took around 20 minutes. The presentation mainly discussed the priorities, issues and targets of the sector. The following paragraphs briefly map to the presentation to situate the discussion followed by the presentation.

The energy sector has five priorities. Those are: Thar coal; renewable energy such as wind; solar and biomass; transmission lines and grid distribution; oil and gas; and energy efficiency and conservation.

Thar Coal

Thar coal is a major source of power generation. Sindh has around 175 billion tons of coal spread over 9000 sq. kilometers, which has a capacity of 50 MW for 3,000 years. GoS is offering very attractive returns on investment for coal mining; those are embedded in the GoS policies. Thar coal as a development agenda is well aligned with the SDGs. For instance, developing the coal mining sector, leading to poverty alleviation, is addressing Goal 1 of the SDGs. Similarly, large-scale activities in Thar coal exploration and subsequent power generation will boost the economic activity in the area and, thus, help in meeting Goals 2, 3, 4 and 8

of the SDGs. Local women are being encouraged for employment, thereby meeting Goal 5 of the SDGs, i.e., gender equality.

There are several issues. The issues range from policies to communication challenges, as it is a huge area. The sector is very capital intensive.

Alternative Energy

The second priority is alternative energy. The Gharo-Keti Bandar wind corridor is one of the richest sources of wind energy in the sub-continent. The average annual wind speed is 7.5 to 7.7 m/s on a friendly terrain. This is a low-cost energy resource, which needs to be tapped to its fullest potential. Fifteen IPPs capable of producing 785 MW are in various stages of operations and commissioning. A total of 35 projects are under development, and a tower manufacturing facility is already operational in Jhampir, district Thatta.

Solar Energy: Due to huge availability of sunlight, Sindh holds a great investment potential for extensive exploitation of solar energy. Sindh has tremendous potential of harnessing this natural resource to produce 0.320 to 0.400 MWh of electricity per m² per year. The average sunshine is available from 8-9 hours a day. The solar energy can be used to power tube-wells, rooftops and several other sectors. This also has a potential of heavy investment.

Biomass (Waste to Energy): Sindh produces municipal waste and agricultural waste, which has a huge potential for energy generation. The city of Karachi alone produces 11,000 tons per day of municipal waste, which has a potential for 100 MW. The Sindh Solid Waste Management Board is actively working on power generation from waste.

Run of the River: Seventeen sites have been identified on major irrigation canals of Sindh. One LOI is already issued, and feasibility studies are underway for other sites. ROR has a potential of 130 MW in total.

Renewable energy has its own issues, such as divergent policies of federal and provincial governments. There is an inadequate capacity of the national grid station for evacuation of energy generated from wind and solar. NEPRA is more inclined towards thermal energy. The progress of projects gets slow due to the pending release of required data from NTDC to conduct studies.

There are several stakeholders involved in biomass, so coordination among them is challenging. In addition to that, no collection method for waste (which is the main requirement for the plant) is agreed upon, and the cost of logistics is very high. Regarding wind energy, 35 LOIs have been issued; the energy generated will be inducted in the national grid. This will enhance the energy mix of renewables and, therefore, contribute to meeting Goal 7 of the SDGs. In the case of solar energy, we have both off-grid and on-grid solar projects. We have solarized, under the off-grid project, the following: 350 schools in Nangarparkar, 140 houses in Sanghar, streetlights of 5 villages in Malir, 5 villages of district Ghotki. Another 300 villages and 500 schools will be solarized in coming years. For on-grid, we have issued 25 LOIs for 1450 MW. Five other locations (Larkana, Sukkur, Thatta, Jamshoro, and Benazirabad) with a total of 100 MW (20 MW for each location) have been planned but await grid integration NOC from NTDC.

For biomass, GoS offers IRR of 16% and government guarantees for power purchase and grid interconnection. A project of 20 MW is conceived to convert agricultural waste into energy in the Khairpur Special Economic Zone (KSEZ).

For Run of the River, we have given incentives for Nara Canal (15 MW), while the Rohri Canal (9MW) is under the bidding process. Studies are

being conducted for other canals, and also tariff is still awaited from NEPRA on RoR projects.

GoS will launch the Sindh Solar Energy Program with the help of VVB. This is a USD105 million project. Under this project, the rooftops of public offices and other available spaces will be solarized. The project also includes the electrification of remote villages, and 50 MW will be allocated to district Jamshoro. Through this project, the institutional capacity for audit and assessment of resources for all energy-related technologies will also be developed.

Transmission Lines and Grid System

Our third priority is transmission lines and the grid system. Currently, GoS is facing issues in contribution to energy due to transmission lines and the grid system. Federal and provincial governments are concerned about transmission lines, as these lines are bottlenecks in the present transfer of electricity to end users in different demographics. NEPRA has recently been amended and, thus, the situation offers new opportunities. The opportunity is to get the national policy and plan approved through CCI. Then, NEPRA is bound to follow the policy, including tariff. The National Grid Company already exists. However, the amended Act allows Sindh to have its own company. Now, we have both options – electric power trader option and electric power supplier option. More buyers of electricity need to be created, for example, municipalities, associations of industrial areas, cantonment areas and large-scale housing societies so that the advantage of bulk power purchase tariff is transferred to the end user.

GoS also wants to establish a transmission network. Sindh, currently, has a temporary power transmission company, STDC. We want a permanent transmission network. Similarly, we want to establish mini and micro networks for exclusive supply of electricity. A new electric power

trading environment should be enabled to inspire more investment and for the cheaper availability of energy.

Oil and Gas

Sindh has huge reserves of oil and gas. Sindh accounts for 65% of the country's total gas production. Sindh also contributes 29% of the crude oil – 25,000 barrels per day. Oil and gas are practically under federal government authority despite the 18th Amendment. Almost 60% of the area in the province is under the lease regime of the federal government. There is a need to open the sector to provinces. This will help to address stagnation and slow progress in the sector in Sindh.

Energy Efficiency and Conservation

Finally, we come to energy efficiency and conservation. The federal government has enacted new authority to conserve energy – the National Energy Efficiency & Conservation Authority (NEECA). There is a need for energy efficiency and conservation in all sectors of the economy. Promoting energy efficiency will require different activities, including identification of energy efficiency and conservation opportunities, public awareness, education and training, development and implementation of pilot projects, and introducing energy efficient technologies. The directorates of power development in the provinces are responsible for implementation in the provinces. There is a lot that still has to be done in this regard.

Discussion: Energy Sector

After the presentation, the floor was opened for discussion. The following paragraphs thematically capture the contribution of the participants.

Demand-Side Gap

The presentation on the sector was very comprehensive, especially with respect to supply-

side projections, but it largely ignored 'demand side' – it was only about supply issues. GoS must stimulate a demand-side approach and employ it for planning. In this context, there is need of a plan to determine demands. The point was well accepted.

Integrated Energy Plans

The national energy plan heavily depends on two things: a) power market surveys; and b) regression analysis of energy generation in the country. The power market survey is a rather upward approach for developing energy plans. Earlier there have been surveys of buildings, commercial activities, industry and future plans. At present, the so-called power market survey is confined to few select individuals and it has become quite a private affair – outcomes are not available to professionals for discussions. We understand the clear deficit of capacity to undertake any power market survey. Sometimes in the past, ADB supported the Planning Commission of Pakistan in developing an integrated energy development plan. A bottom-up approach was carried out to develop this plan, and the power market survey was implemented. Under this project, energy footprints of all sectors such as the domestic sector and the industrial sector, including different industries in the sector were determined. Regarding developing an integrated energy plan, the suggestion was made to conduct a detailed survey of the needs of each sector for various economies. As of now, we have different energy plans such as the Thar coal plan. All these plans need to be dovetailed in the national plan for energy.

The issue with Pakistan is that we have numerous energy plans starting from 1996, although the first attempts to collect data were made from 1986-90. During this period, extensive data was collected and then lost. Then we had another attempt in 1996 and it was the same story. In 2001-02, ADB collected extensive data and it was again lost. We need to enlarge the stakeholders' base. Integrated plans require input from the specialists. To illustrate

this point, you need to have input from specialists from the textile industry to have estimates of the energy footprints of the textile industry. We must, therefore, include sector specialists, organizational experts, private actors and industry-specific organizations and associations in the list of stakeholders. Currently, unfortunately, these plans are only to extract critical data and then we do not see any results.

USAID is already working on an integrated plan for Pakistan with the Planning Commission and intends to roll out these plans to provinces. This time we are developing an integrated plan in consultation with key stakeholders—historically it has been done in isolation.

The framework for developing an integrated energy plan will be incomplete if financing requirements are not measured and the contributions from all actors such as the federal government, provincial and private sectors are not calculated.

Energy Conservation

Another important aspect is energy conservation while rationalizing energy demands. We have national institutes with the agenda of promoting energy conservation, with very little grassroots impact. The institute under reference is the National Energy Conservation Centre (ENERCON), which has now been transformed into the National Energy Efficiency & Conservation Authority (NEECA). The presentation of the secretary did mention the issue of energy conservation, but it did not uncover how it will be done. The “Energy Building Code” by the Pakistan Engineering Council provides substantial advice on energy conservation. The implementation of this code only will conserve sufficient energy. We must also develop targets of energy conservations, as we did for the supply of energy, which is quite ambitious. Without an integrated strategy, the realization of plans will be difficult.

Wasteful Energy Practices

User level energy conservation potential and practices were not discussed in the presentation. Low-income houses are not energy efficient, and most of these are using the “kunda system.” These practices have implications for the supply and demand of energy. We must prioritize energy saving practices for cooking and housing. Our current cooking practices are quite wasteful of energy. We spend a lot of money on fuels for cooking along with deforestation (80% of our population depends upon biomass). We must promote good practices for cooking and housing. We must develop a holistic approach towards energy for the next 10 or 20 years. “I think building energy code must be implemented and it will help to improve the situation,” said one participant.

Theft and Paying Culture

Low-income houses are not energy efficient. Then there are illegal practices. Unfortunately, we blame the low-income group. Our theft is in urban areas, and theft is mostly by the commercial sector. Theft is not by common people. This is a serious governance issue. The related aspect is the overall paying culture. If people are not paying then it is a problem. In the current situation, the client is also part of the problem.

Exploring Oil and Gas

We have been talking about oil and gas in a conventional manner, and we have not addressed those through non-conventional approaches such as exploration of nonconventional sources of oil and gas. One participant indicated that oil and gas are the constituency of the federal government. This means there is the need to modify OGRA, as NEPRA is also getting modified. Another participant added that both governments (federal and provincial) are actively working on non-conventional sources of oil and gas. We already have had a tight gas policy since 2011, and few

companies have already implemented their projects to explore tight gas. We should move beyond the focus of current thinking and put all important ideas on our radar that may be used in the future.

Energy Transmission and Grid Integration

USAID is helping with evacuating power from the Sindh power corridor, and USAID also is spending 25 million dollars on constructing a transmission line. There has been mention of grid integration issues. USAID has done a study. The scope of the study was limited to wind only. Now we are expanding the scope of this study – this will encompass whole of the grid.

Renewable Energy Explorer

There is a technology tool “renewable energy data explorer,” which is available in public domain. The tool is very powerful. It has different layers and provides cost estimates for different locations. The tool is good for site-specific information for wind and solar energy.

Energy Conservation

We need to distinguish between energy conservation and energy efficiency. We need to have separate plans for energy efficiency.

Energy Plan and Growth Strategy

We should be looking at the energy plan through a growth strategy lens. This means we need to develop good projections of supply and demand. This also means we must develop quantifiable targets for energy conservation and energy efficiency.

In the absence of adequate energy conservation mechanisms, the energy elasticity ratio is very high in our country. Way back in the 1990s it was 1.8 to 1.0 and now it is around 1.5 to 1.0, which means

we have had to add 1.1 % energy to achieve one percent change in GDP.

Implementation

We are talking about a number of projects, but there is no mention of benchmarks and indicators of progress and how everything is fitting into the larger picture. This was truly missing in the presentation. It should have been more aligned with SDGs.

Climate Change Perspective

We must invoke a climate change perspective while discussing energy and developing energy plans. We must consider climatic hazards and their impact on the environment. Therefore, we must consider mitigating factors and incorporate these into our plans. We should consider all factors, such as mechanical efficiency, fuel efficiency, green building concepts, vertical forests and energy audits to meet energy needs in a sustainable fashion. This means we must have a plan of “energy and environment.”

Incentives should be designed for climatic considerations. All project proposals must explicitly articulate how climatic consideration will be addressed, and the projects doing so should be rewarded. In KPK, the finances of the PCI are tied with the considerations of climatic change. This can be replicated in Sindh. All projects go through an environmental impact assessment. This regulatory framework should be followed more meticulously.

Willingness to Pay

The financial sustainability depends upon consumers’ relationships. We need to develop a willingness to pay culture. The people must be sensitized strongly that they should be paying the costs of services they are receiving. This may be done through engaging people at the grassroots level and making them aware of the importance of

paying their utility costs on time to improve the service delivery.

Private Partnership

We do not have a culture of paying, and unless private groups take ownership of these strategies in Sindh nothing will change. GoS needs to make up their mind as to what they want to do with Thar. As of now, the government is flirting with all rather talking to serious people only. Instead, the GoS should be talking only to performers rather than everyone. There was a counter-argument that GoS cannot implement discriminatory policies and should stay open and accessible to all potential partners.

The donor recommendation to the GoS is to ensure the government does not crowd out the private sector investment in the energy sector. More effort needs to be made to privatize this sector through investment in and management of energy infrastructure, energy production and energy distribution.

Energy Markets

We need to develop the energy market. Unless we understand the dynamics of society, we cannot change much. We have to go to micro level.

Infrastructure

Introduction

The discussion opened with a comprehensive presentation (around 30 minutes long) by the moderator of the session. It was followed with questions and comments by the participants. The presenter first discussed the 6 priorities of the sector, which are described in the following paragraphs.

The presentation covered the following themes/topics.

Urban and Regional Development Planning

Sindh is by far the most urbanized and fastest urbanizing province in the country, with a relatively fast-growing population. This population growth has led to the phenomenon of urban sprawl and requirements for greater level and lengths of urban infrastructure and services. Karachi, Hyderabad and Sukkur have high GDP per capita relative to other cities in the country. The secondary cities of the province suffer from a rather weak economic structure. As a result, the overall socio-economic character of the province remains largely rural. Most of the urban localities lack physical and municipal infrastructure, growth nodes and connectivity. Now we come to regional connectivity.

We recently have been working on the Karachi Transformation Strategy, for which we have carried out City Diagnostic with help of World Bank. The Diagnostic shows that about US\$10 billion are needed to close the infrastructure gap in the next 10 years. As for the Karachi Transformation Strategy, we are doing the Karachi Neighborhood Improvement Project, which is a very interesting project and aims to enhance public spaces in targeted neighborhoods of Saddar, Korangi and Malir and improve urban roads infrastructure to enhance mobility, inclusion and access to the market. We are also investing in developing the capacity of the city to provide selected administrative services such as online building permits.

We already have the Karachi Strategic Development Plan 2020, Hyderabad Master Plan 2027 and Urban Development Strategies for Sukkur and Larkana. In addition to that, we are also working on Development Master Plans for the remaining 20 District Headquarter Towns. These plans will be completed by the end of the next financial year.

These Development Master Plans will be based on the situation analysis. We will digitize the data and then conduct SWOT Analysis. On the basis of endowments, we will develop a vision of that particular city and, based on the vision, we will prepare the Development Master Plan. The plan will include long-term development for land use and zoning. Different growth scenarios will be developed for the city and probably first-time cities will have action plans for priority infrastructure such as roads and transport, water supply, sanitation, education, health and recreation, etc. These will be 3-5 year plans; earlier we were developing 20-30 year plans which never get implemented. We are also working on upgrading the core urban area. We are trying to create downtowns in the cities.

We are also working on some district plans, such as Economic Development Plan, Disaster Management Plan, Climate Change Plan, and a Resilience and Adaptability Plan as well as an Implementation Strategy, as most of the plans fail on this account.

Regarding issues related to urban and regional planning, we have been developing master plans for many years. For example, we have had 6 master plans for Karachi only since 1923.

The majority of these Master Plans were not well prepared and were never approved. Therefore, these plans lacked the legal sanction and power to be effective. Several useful proposals, strategies and projects recommended in these plans were not properly implemented. This has resulted in a development scenario that is scheme-based and thus inherently insufficient to address the issues of integrated development of urban and rural areas. As a result, the reach and quality of physical and municipal infrastructure and services have remained insufficient and below par – even in a mega city like Karachi. The situation is exacerbated by the institutional capacity, coordination and control. For instance, in Karachi, there are about

20 land controlling agencies belonging to the local, provincial and federal government.

Regional Connectivity

Sindh, historically, has suffered from a rather limited inter and intra-regional connectivity and accessibility. The development in Sindh has mostly focused along the North-South. This focus has negative implications for inter and intra-regional connectivity. The next focus will be urban road and mass transit system.

Regarding regional connectivity, we are working on various projects such as Hyderabad Mirpurkhas Highway and M-9 - Hyderabad – Karachi Motorway (which is completed). Other road projects include Karachi-Keti Bandar Road, Karachi-Islamkot Road, Nawabshah – Sakrand Road, and Karachi – Thatta Road. In addition, we just constructed Jhirik-Mulakatiar Bridge. ADB is supporting us for reconstruction or reconditioning of six inter-district roads which total to 328 kms. We are also working on 1,600 kms of provincial roads connecting marketplaces and major towns. Hyderabad–Sukkur Motorway has been tendered, and Thatta – Hyderabad Road is in the planning stage.

Sindh is a home of two year-round operational ports serving the entire country. This places additional demands on the infrastructure of Sindh, especially of Karachi.

The situation is further complicated by a relatively low road density (0.41 km /sq.km), poor urban roads and lack of public mass transport systems, as well as total neglect of the river Indus and various canals' potential as waterways for inland navigation. It is interesting that we never consider this huge possibility.

Urban Roads and Public Mass Transit Systems

Being the most urbanized province, Sindh needs good quality and high density of urban roads. It also needs a quality public/mass transit system as a critical cog in the overall development of the province. Overall road density in the province is 0.41 km/sq km of the total area. Ideally, it should be 1.1 km/sq km. All cities of Sindh lack adequate public transport systems. This is also true for Karachi.

Regarding Urban Roads and Public/Mass Transit, we have the Karachi Mass Transit Improvement Plan 2030, developed with the help of JICA, that includes revival of the Karachi Circular Railway (KCR), two Mass Rapid Transit (MRT) lines and six Bus Rapid Transit (BRT) lines. Some work is already in place. We also have the Karachi mega development project, focusing on reconstruction/rehabilitation of important primary arterial roads in Karachi and construction of under and overpasses to better manage traffic at congestion points. Reconstruction and rehabilitation of a number of intra-city roads in various cities across the province are also underway. In addition, we have an intra-city bus project for Karachi, as well as an inter-city bus project for the province.

Water and Sanitation

Sindh Multiple Indicators Cluster Survey (MICS) 2014 indicates that 90% of households use an “improved” source of drinking water. For the Karachi division, the piped water facility is 65.0% followed by Hyderabad (20.0%) and then Mirpur Khas (15.1%) divisions. There are various kinds of contaminations (above WHO standards) in the drinking water such as arsenic. Further, 38.8% of household drinking water is contaminated with e.coli, while 66.0% of the drinking water is contaminated with coliforms. This indicates a serious water quality issue in Sindh. About 80% of all the water that goes into the water supply systems converts into sewage, which ends up in the

water bodies such as ponds, lakes, canals, rivers and the sea. More than 80% of the wastewater generated in Karachi goes into the sea untreated. According to Sindh MICS 2014, around 55% of households across the province use improved sanitation as compared with 2004. About 40% of the household population in rural areas practice open defecation, with the highest level being in the Mirpur Khas division at 49.2%.

Sindh in total produces about 25,000 tons of solid waste per day. The collection efficiency ranges between 50-60% in urban areas and is much lower in the rural areas. The major cities have some basic dumping sites, which cater to less than 50% of the waste generated in the province.

Regarding Water and Sanitation, we have Sindh WASH Sector Plan 2025. We also have some other plans approved and notified, such as the Sindh Sanitation Policy and Sindh Drinking Water Policy. JICA is supporting Karachi’s “Water and Sewerage Master Plan,” which proposes concrete projects for resolving water supply (K-IV) and sewerage (S-III) issues. This master plan also proposes softer intervention for making KW&SB a more organized and responsive utility services provider.

We are also investing in Ultra Filtration (UF) and Reverse Osmosis (RO) plants across the province. The GoS has also established the Sindh Solid Waste Management Board (SSWMB) for collection and disposal of municipal, industrial and medical waste across the Province. Currently, two District Municipal Corporations (DMCs) in Karachi have outsourced solid waste management to private contractors after international bidding.

Donors stressed the importance of the GoS addressing the issue of water pricing policy that is directly contributing to the misuse of scarce water resources and inefficient agriculture practices (including disincentives to make investments in improved agriculture-related technologies). The lack of water pricing acts as a subsidy for water-

inefficient cash crops (i.e., cotton, sugar, wheat and rice), while creating further disincentives to invest in agribusiness and related infrastructure to grow nutritious crops and bring them to market (fruits, vegetables, pulses and nutritious oils such as olive and canola).

Sindh is dependent on Indus's water, and there is a gradual decline of water availability per person. Nearly four out of five people (79% of the population) uses a surface water source. The rest of the people live in a sweet water zone (around 20%). In addition to that, water is a non-revenue commodity, which has implications for water management. Wastewater schemes only convey and pump out wastewater from the city to the adjoining surface or water bodies. Treatment facilities in most of the cities either do not exist or are improperly located and hence receive little or no sewage. The most critical issue is the lack of coordination between PHED and Local Governments, resulting in a high number of non-functional schemes.

Regarding solid waste, we have no system: no garbage transfer stations, no waste to energy projects and composting plants, and no non-engineered sanitary landfill sites. We have a very rudimentary system, if at all.

Public Private Partnership – PPP

Sindh is the first province in Pakistan to have an appropriate legal framework for approving and undertaking PPP projects in various sectors, including infrastructure. The unit is financed by the GoS through annual budgetary allocations. The funding of various PPP projects depends on their nature and financial structure. Usually, it is a mix of private equity, public equity/grant and commercial debt.

Regarding PPP, the majority of the projects are infrastructure related. Now, we are also venturing into social projects.

Discussion: Infrastructure

The discussion on infrastructure was inspired by the presentation given by the moderator; discussion was constrained by the available time. The contribution of the participants is presented in the following lines in a thematic manner.

Disaster Responsive Planning

Sindh is very prone to disasters such as floods and cyclones. In Sindh, Thatta and Badin are the worst districts in terms of disasters. Thus, any development planning must take into account these conditions. There are some successful projects that developed some houses that were very energy efficient (up to 16 %) and also disaster resistant. Some examples can be seen in Thatta, Badin and Karachi.

Developing Small Ports

Ports and harbors are going to be a major part of the infrastructure. The Ketu Bandar port project has been approved, and work will start next year. India has 200 ports (13 major) and it is using them well. Pakistan has only two ports. We should focus on developing minor ports by using already existing jetties. We can use these small ports for our agro products; we can send these products to the gulf, and we already have an agreement with the ports. A question was raised: Do we need additional ports? Is there any demand for the ports?

Diligence in Governance

Governance, over the years, has really suffered in the province – - due diligence in governance has eroded. Diligence in governance can only come when there is enough capacity and professional understanding. We need to develop this capacity for quality assurance and sustainability.

Meticulous Planning

“Infrastructure” is nothing but proper planning. HR capacity is extremely important, and continued capacity development is needed. There is a need to develop “integrated plans” and to develop a technical regime to implement these plans. How capacity will be created to implement those plans will remain a question. Every district has its disaster plan. However, there are issues in terms of human resources. Mehran University’s graduates in city planning could not secure jobs (only 50 out of 1,000 are employed).

Infrastructure for Energy

Energy transportation and distribution is essentially infrastructure development. Coal transportation is not an easy issue. Currently, we do not have capacity and infrastructure. The same is true for gas. Sindh must have its own infrastructure for gas transportation.

Solid Waste Management

Solid waste poses a major problem. This includes all kind of wastes. Chemical waste management should also be considered with special attention, as chemicals are very hazardous. We also need to promote innovation. For example, we could construct solar pathways, which would manage street lighting at the same time. Why can't we use solid waste for developing bricks for housing and developing fuel?

Development of Small Towns

Smaller towns in Sindh are ignored. These towns have never been involved in the development process. The people of these towns do not have the capacity to effectively participate in the development process. Ask them what they need, and they will not go beyond clean water. Bringing these people into development discourse and educating them as to possibilities will be a good service to them.

Road Infrastructure

Road infrastructure also needs several interventions, including asset management. GoS, in collaboration with ADB, is working on road inventories. NED University has developed a database of 300,000 accidents. The data can be analyzed for developing insights and measures for road safety.

Adhocism

Many institutions have been created and then dismantled. Similarly, several master plans are made, and there are always new institutions leading those plans. There is no continuity in planning and implementation.

Synthesis of the Working Group Discussion

The synthesis of the working group resulted in the identification of priorities and strategies and was presented in the plenary session

Key Priority Areas for Energy

Box 8

Key Priority Areas: Energy

1. Integrated Energy Plan
2. Thar Coal
3. Renewable Energy (Wind, Solar, Biomass, RoR)
4. Transmission, Grid, Distribution
5. Oil and Gas (Conventional and unconventional)
6. Energy Efficiency and Conservation

Collaborative Strategies for Energy

Box 9

Collaborative Strategies: Energy

2021:

1. Optimize Thar Block-II
2. 23 MTPA, 4,000 MW

2022-28:

3. Thar Block-I and VI, 4,000 MW
4. Renewables:
 - Wind - 3,500 MW
 - Solar - 1,500 MW
 - Others- 500MW
5. Transmission Lines:
Provincial Transco for Wind
6. Energy Conservation and Efficiency
7. Oil and Gas: Shale and Tight Gas

Key Priority Areas for Infrastructure

Box 10

Key Priority Areas: Infrastructure

1. Urban and Regional Development Planning
2. Regional Connectivity
 - Inland water transport
3. Mini Ports and Harbor
4. Urban Roads and Mass Transit Systems
5. Water Supply and Sanitation

Collaborative Strategies for Infrastructure

Box 11

Collaborative Strategies: Infrastructure

2020:

1. Master Plans of All DHQs-Legislation
2. Road and Traffic Management
3. Investment in w/s and Sanitation

2023

4. Implement Regional Development Plans
5. Non-motorized Transport (NMT)
6. Inland Water Transport and Mini Ports

2028

7. Implement Spatial Development Strategy
8. Mobility and Public Transport
9. Transform Water and Sanitation Utilities

Cross Cutting Areas

Box 12

Cross-cutting Areas: Energy and Infrastructure

1. Promote PPPs
2. Gender Mainstreaming
3. Capacity Building; Governance

Sector Five: Health and Population

Introduction

The Health and Population working group presented two critical departments: Health Department and Population Welfare Department. After brief presentations of the panelists, the participants actively engaged in conversation around health and population in an integrated manner. The moderator of the session periodically summarized the discussions that kept the flow of the conversation very lively. In the latter part of the session, participants discussed and agreed on the priorities. They also considered that restricting to 5 priorities may not be a good idea. The discussion relating to agreeing on priorities was quite interesting: different words and their meanings were considered and, generally, a more generic term was where ultimate agreement came.

The debates and moot points raised in the session are described thematically in the following paragraphs. At the end of this section, the agreed priorities are also given..

State of Play: Health

There were three panelists presenting, specifically, issues of health, including the secretary of the health department. They discussed various issues. This section presents a summary of those issues. The cross-cutting issues of health and population are presented in the latter part of the document.

- The 18th amendment has changed several things which have added to the difficulties. The NFC formula was decided before 18th amendment; it should have been decided after the 18th amendment. As a result of this, the province has to spend huge financial resources (15 billion) on three federal institutions: National Institute of Child Health (NICH); National Institute of Cardiovascular Diseases (NICVD); and

Jinnah Postgraduate Medical Centre (JPMC).

- The Expanded Program on Immunization (EPI) has been one of the important public immunization services in Sindh – using polio experience for EPI. For EPI, we get money from a multi-donor trust fund available until 2020. We are looking for other resources.
- The Primary Healthcare Initiative (PPHI) is mainly responsible (70%) for primary care in Sindh. There is lack of coordination between PPHI and population (CIP), while family planning is one of the mandates of the basic health units.
- Four state-of-the-art Regional Blood Centers (RBCs) have been negotiated with Germany. Two are already operational. The provincial assembly has also passed the Sindh Safe Blood Transfusion Act (2017).
- There is no accountability in the system. We have to enforce some accountability in the system.
- The quality of available data is questionable. For data and reports, we rely on development partners. USAID is doing a wonderful job. These reports are a bible for me [secretary of health]. These reports provide a baseline for Sindh.
- Restructuring of the department is very important. As of now, it is an obsolete structure that is not in line with the vision of donors or political leadership. There are several “superfluous structures” in the department. There is a need to abandon those structures. The secretary of health asserted: “It’s very difficult for me to monitor our staff ...staff is scattered ...there is no centrality ...secretary should directly communicate with district.”

- Historically we have never tracked the implementation of policies. Quality is a serious issue.
- What has worked in the region is political will and accountability, and this has been a major neglect here.
- Geographical scale-up is easy for government, but this is not the case for “quality and accountability scale-up.” The capacity of the department needs to be developed for quality and accountability.
- There is nothing drastically wrong with existing policies. Our core challenge is implementation. We need structural reform.
- Sindh was first in passing the Health Care Commission Act, which has stayed dormant for a long time. The standards of healthcare have been formulated at the hospital stage, and now we are working for standards at the practitioner level. Regulations for ancillary diagnostics are on the way. The complaint directorate has been established.
- Strengthening of family medicine is very important. Unless we do that, we cannot have universal coverage. Our data of the last 10 years indicate that 60% of our patients should not have come to Indus hospital. The cost of tertiary care is high
- We are still discussing similar issues after 17 years. With 10 million people below the poverty line in Sindh, how to provide essential and basic health coverage to the poor is a real challenge. UNICEF’s current report (world report on children) indicates that Pakistan has the world’s highest neonatal mortality rate. It was never expected that Pakistan would go behind sub-Saharan countries. This is a very serious issue. Our reports at AKU verify the poor neonatal rate.
- We must move from input and process monitoring to output monitoring.
- The National Epidemiological Survey shows that 25% of Pakistanis above age 20 have diabetes. The figure for Sindh is around 30%. Half of our population (50%), including rural or urban, rich or poor, have hypertension.
- Education is prevention. We should educate our population about diseases such as diabetes, heart attack and obesity. In middle-income school in Karachi, 10% of children have obesity problems.
- Tertiary care in the province is almost OK. There is no proper referral system from the primary care system to secondary and tertiary care, though.
- We have an EOC - Emergency Operations Center.

Effective Population Planning

The following section reports on the comments in relation to population planning and its outcomes in Sindh.

- Population is strongly linked with sustainable development, and we should consider the population in all sectors. The Planning and Development Board can have a phenomenal impact on focusing on population as a cross-cutting issue. They must lead. The policies of every sector, such information, religious affairs, social welfare, agriculture and industry, should have a role in population welfare.
- A quick research, done in collaboration with USAID, indicates that if we invest in FP, we have long-term benefits. Higher levels of contraceptive prevalence rate (CPR), such as 70% CPR, will mean that we need less numbers of teachers, less numbers of schools, less numbers of hospitals and less numbers of dependent people, as well as a higher rate of GDP. We should not be comfortable with a stagnant CPR.

- Population Policy 2016 and Costed Implementation Plan (CIP) are two important documents giving details on population analysis and strategies in Sindh.
- Functional integration between health and population is very crucial. In case of Sindh, functional integration between health and population has been very effective in the 1990s. During this period CPR moved from 12% to 28%. We need to revitalize this functional integration.
- We should take a multi-prong approach such as reducing fertility, increasing CPR, restraining child marriages and working on human empowerment.
- We are integrating life skills-based education (LSBE) into the school curriculum in the province. We have to work on establishing at least one adolescent center in each district.
- Education is one of the major contraceptives.
- Unmet need (25%, one of the highest in the country) and mCPR (17%) are the biggest problems in the rural areas of Sindh. The focus of social marketing is urban. What is the strategy to reach rural areas? How to scale up successful programs? Are there any plans to involve pharmacies? Contraceptive Prevalence Rate by Modern Methods (mCPR).
- Under the Family Planning (FP) 2020 Initiative, we have “Sukhi Ghar Counsellors” (more than 40) who are working with males to promote family planning.
- We need strategic refocus: educating young couples is more effective – LSBE and other strategies may also work.

Human Resource Is a Major Challenge

Although there was mention of the development of human resources, including preparation of 70 MPH graduates with help of USAID, the issue of “human resource” was discussed in several terms.

- HR situation: There are major problems; doctors, nurses, paramedics are not up to mark. The quality of education and training is very poor.
- There is no human resource planning. Who is needed and how many? This basic question is never sorted out. Currently, there is an acute shortage of anesthesiologists (part of the solution could be nurse specialists with more skills, but there are not enough properly trained). We do not have nephrologists. In addition to that, very few Infectious Disease Specialists (IDS) are available.
- There is mismanagement of human resource also. For example, the civil hospital has 50 Pharmacists and is doing nothing. Another example is that the EPI person is retired, but there is no good replacement.
- There is no way to retain good professionals. The usual trajectory of their flight is: at first stage, they go to KSA and then the UK and when they are financially more stable they move to the USA or migrate to Canada. At NICVD we have sorted out this issue of retention by employing them on contract. We also have sorted out this issue to some extent at Trauma centers. Retaining people in rural areas where facilities and remuneration are not enough is a major challenge.
- On Medical Education side, we keep on opening medical colleges without adequate faculty. ...faculty moves from one college to another ...the quality of faculty is also an issue.

Project Planning and Implementation

There are various bottlenecks in the system, hindering the better performance of the departments. We need to simplify the process of project planning and management. ADP schemes approvals are quite cumbersome. This process should be smoothed. PCI is a colonial legacy – a really complicated documentation. There should be only a one or two-page write up, and the process should be simple.

There is also a disconnect between development and recurring budget. In addition to that, there is a strong need to improve financial practices. We need to shift to performance-based budgeting.

Technology for Monitoring, Efficiency and Transparency

Technology was discussed in relation to restructuring, automation, attendance and moving away from the conventional information system. The comments were:

- The secretary of health emphasized “automation of the department” such as a strong biometrics system for employees. There are 23,000 LHW in Sindh, and that covers only 46% of Sindh – no coverage of 100%. The health department uses biometrics for their attendance.
- The technology should play an important part in the restructuring of the department.
- We need to move away from the conventional information system.

PPP Models

There was an emphasis on expanding the role of PPP in health and population initiatives, such as encouraging the private sector to invest in the sector and also develop new models of PPP.

Some of the challenges/experiences with existing practices of PPP, as mentioned in the session, were:

- The PPP Act was passed (only Sindh can get this credit). There is a strong commitment at the top. But when you enter into a partnership you started to have a different experience. The spirit of partnership is not translated downward.
- The escrow account took 3 months to open.
- In primary set up, the appointment of program managers is political, which poses a great problem.
- It was acknowledged that both sectors have their strengths and weakness; dealing with lower ranks in the public sector is a real problem. We spend 70% of our time in dealing with administrative matters.
- We do not find much support in the districts. The secretary of health responded that with more HR at the district level, the issue will be settled. He continued that currently, we have only one DHO at the district level; after restructuring there will be 10 DHOs. Currently, one cannot provide the needed level of support.

Transparent Bidding

“An open, competitive and transparent bidding process is critical for success under current PPP model.”

Synthesis of the Working Group Discussion

The synthesis of the working group discussion resulted in the identification of priorities and strategies and was presented in the plenary session.

Box 13

Key Priority Areas: Health and Population

1. Prioritizing “Population” as a Common Denominator for Development

- Restructuring of the Department
- Population to be Prioritized by All Sector (Multi-sectoral) Colleagues
- All Health Facilitates to Offer FP Services
- Strategies to address the unmet needs:
 - Task Shifting + Task Sharing
 - Role of LHWs in FP and Referrals on FPs
 - Increase Coverage of CHWs (LHWs, Marki, CMWs)
 - Engage Pharmacies
 - PPP
- Innovations in Social Market to Reach the Last Mile
- Migration-Urban Poor
- Engage Youth + Adolescents
- Political Will

2. Restructuring of DoH/ PWD for Improved Performance in Terms of:

- Structure (Provincial-District)
- Infrastructure
- Functions
- Job Descriptions
- Information Technology

3. Planning and Financial Management Reforms in Terms of:

- Simplified Processes (PCI Processing, Funds Release/Utilization)
- Performance-based Budgeting

4. Public Private Partnership to Improve Quality, Access and Equity:

- Open, Competitive, Transparent Selection Process
- Public Financing – Private Provision
- Private Financing – Public Provision
- Realignment of “Partnership Agreements”
- Public Sector to Set Standard
- Knowledge Management Hub

Box 13 (Continued)

Key Priority Areas: Health and Population

5. Prioritizing Preventive Programs for Healthy Sindh (Integration)

- Integration of All Vertical Programs: Shifting from Project to Program
 - Maternal, Neonatal, Child Health: Prioritizing Newborn Care
 - Communicable Diseases
 - NCDs
 - Compulsory Immunization
 - Nutrition

6. Mainstreaming Non-Communicable Diseases in Preventive Programs:

- Integration of NCDs to Primary Healthcare System
- Restrictions on Salt, Sugar and Fat (Policies)
- Focus on Prevention
- Registration of NCDs
- E-health
- Healthcare Education
- Role of Stakeholders at All Levels:
 - Schools
 - Departments
 - Mental Health Professionals
 - Family Medicine
 - Clinical Psychologists
 - Foot Care Assistants

7. Effective Planning and Management for “Human Resource for Health”:

- Establishment of HRH Directorate
- Human Resource Planning – Retention Strategies
- Human Resource Information System
- Operational HR Plans
- Job Security Pinked with Performance

8. Health Care Financing for Universal Access:

- Risk Protection
- Reaching the Poor and Vulnerable Population Groups
- Increase Financial Accessibility (Reduction in out-of-pocket Expenditures)

9. E-health

Box 14

Collaborative Strategies: Health and Population

1. Task Force for Oversight of Health and Population
2. Technical Coordination Committee
3. Stakeholders' and Development Partners' Consultations
4. Donor/Development Partner Coordination to Align Projects to Sectoral Priorities
5. Sharing of Information (Multi-sectoral, Federal-Provincial, Intra & Inter Provincial, Private Sector, Civil Society)

Sector Six: Nutrition

Introduction and Background: Sectoral Overview

The introduction and background to the sector was provided by the Session Moderator; the main facts and figures are listed below.

Various surveys conducted between 2000 and 2010 highlighted that nutrition status in the province is quite adverse. As a result, nearly 50% of the children are stunted, and at the same time, 17.5% of the youth and the children are wasting. The figures are quite alarming because it is not just the physical handicap but also the physiological handicap, reducing the IQ level and grasping power of the general population. Moreover, as a result of the issue of frequency of the pregnancies among females, only 50-52% of females now have their body-mass index above the normal range. Then, there are health issues related to shortage of Vitamin A and Iron, leading to anaemia and loss of eyesight, as well as shortage of Iodine, leading to brain damage, and shortage of Vitamin D (70% mothers are suffering from this shortage). These indicators point to the need to address the situation on an emergency basis.

In this backdrop, the GoS has embarked on the task of implementing an inter-sectoral Nutrition Strategy to attend to the issues. Based on this strategy, an inter-sectoral *Accelerated Action Plan (AAP)* has been formulated, with the help of the World Bank, academia and other stakeholders for reduction of stunting and malnutrition. The plan is spread over a period of 5 years and encompasses all districts of the province, where the activity will take place. The total cost is about 5 billion rupees. There are about 8 sectors involved in this – some examples include:

- *Health Sector:* Looking at the initial 1,000 days of the child, and for that the pregnant and lactating women are also being taken care of.

There is nutrition and then, the MMCS department, where the antenatal and postnatal care will be looked after that.

- *Population and Welfare Department:* The plan is being implemented, taking into account the CIP (Cost of Implementation). Family wages will be observed; LHWs and the community workers will stimulate and motivate the mothers to be more particular about their family planning issues. The local government will be looking at issues such as open defecation and construction of toilets within the communities, and introduction of the municipal services in the rural areas – which also includes water supply (including portable water).
- *Agriculture, Livestock and Fisheries:* Ensuring accessibility to more nutritious food for the poor and rural population. In the fisheries sector, we will be promoting fish ponds so as to ensure availability of fish to the poorest of the poor, the needy and the malnourished. Livestock (through small farms) will also increase accessibility.
- Address agriculture subsidies which are not beneficial.
- *Social Welfare:* This involves cash conditional transfers. It is a pilot project to be implemented in only two districts – Tharparkar and Umerkot, in which cash transfers will be made to those pregnant and lactating women who will be using the health facility.
- *Education Sector:* A curriculum is being developed, which will then be transformed into textbooks so as to get disseminated in the classrooms for education in schools. This will

create awareness among young people, subsequently leading to a behavior change.

In order to attain the above, we have first of all the IDA Credit Facility, which is accorded by the WB as a response to reduction of stunting (about 60 million USD). This project is DLI based, which means that the amount spent by the GoS will be reimbursed by the WB after achievement of the DLIs. There are 2 components to the project – one dealing with the actual interventions, whereas, the second component deals with the Task Force Secretariat.

The other projects include:

- MNCH Project – a DFID-funded project (supported by WB also), which will be targeting 13 districts for WASH sector and agriculture.
- Nutrition Support Program – a PCI project of the WB, which is already active in 9 districts of the province.
- PINS (Program for Improving Nutrition in Sindh) – EU supported program, active in 10 districts in Sindh, which will be dealing with nearly 50% of the AAP targets.

GoS has allocated 3.5 billion rupees over a period of 5 years, out of which 2.4 billion rupees have already been released in the current financial year.

Discussion Points: *Key Issues and Themes*

The discussion focused on describing the current situation and projects in terms of what has worked and what has not, the lessons learned and what the priorities need to be.

Malnutrition and Stunting Challenge: Magnitude and Scaling Up

The discussion highlighted the magnitude of the challenge of malnutrition, stunting and wasting; and therefore the need to scale up. Key comments include:

- Despite a lot of progress made and success achieved in an overall perspective, the figures for malnutrition and under-nutrition are still very alarming, particularly, given that the country is the second exporter of the food items in the world. So, there must be sufficient food in the country to feed the population.
- We have some lagging districts where malnutrition is skyrocketing: In Umerkot and Tharparkar, as indicated by multi-indicator cluster survey, the rates are as high as 60% and above. We are still not able to contain that problem despite ongoing interventions. So, where do we need to focus more, and how can we scale up?
- Various regional and global examples, such as Brazil, suggest that addressing this issue will take time. It is going to take another 20 years for nutrition to actually start delivering on the results that we are aiming for.

Commitment of the Government

The various comments made explicitly acknowledged the commitment and efforts on the part of the government towards addressing the issues related to malnutrition. Comments included:

- Even if you all seem rather frustrated that the rates have not reduced (50% children are stunted), there is a lot of engagement and commitment from the government. There is already an inter-sectoral approach to nutrition, not taking it only as a health problem.
- The AAP is a commitment from the government to address malnutrition – it may not be perfect or need improvements but provides a base.
- The government is taking steps forward; P&DD is working and spending funds on the AAP.

Legislation

The comments regarding legislation highlighted existing successes and the need for more action.

Comments included:

- Sindh was the first province to have: a) endorsed the inter-sectoral strategy; and passed the legislation on “mandatory iodization” and also the business rules for it.
- The requirement of the legislation to strengthen the nutrition-related activities is an area where more deliberation is needed.

Existing Models, Plans and Approaches: Lessons Learned

A greater part of the group deliberation offered a review of the existing and on-going projects, programs or interventions in terms of key successes and challenges or issues. The key successes are presented below, followed by the key issues or challenges in the subsequent section.

a) Key Successes

The following comment captures the overall tone and emphasis.

“We are on the right path. At this time, what we need to see is that we have business models and operational models available – the nutrition support program in which we went ahead with contracting out to cover the non-LHW areas; we have the NGO model; engagement of the CSOs; ... and now PINS coming in – I think we are almost there but we are at the crossroads in terms of thinking about what has worked for Sindh and what has not. We have lessons learned.”

“The first years went into this engagement this awareness, development of plans.”

Accelerated Action Plan (AAP)

- This is the operationalization of the inter-sectoral Nutrition Support Strategy.
- At the time of development of this strategy, broader stakeholder consultation took place.
- The plan includes nutrition-specific intervention, but alongside there are nutrition-sensitive interventions as well so that while we deal with this immediate problem, we also have other actions that are creating an enabling environment for actions.
- AAP is a good example. It aims to reduce stunting in the first five years – from 48% to 30%.
- Stunting was targeted during the first part of the year. Stunting reduction would come in AAP program primarily through nutrition, as nutrition is a sector that delivers the strongest impact on stunting.
- In the end, the program has learned how to actually handle and manage the bottlenecks that removed along the way.
- We also learned to work with the NGOs and with the private sector. There were 9 NGOs with diverse backgrounds, and still we are able to work with all of them.
- AAP is very big and then we have to take the roadmap and see where we can go. We cannot do everything; we have to prioritize.

UNICEF Intervention

UNICEF has learned through its stunting programs in the field that there is an ordinary focus on the CMAM (Community Management of Acute Malnutrition) component of the program. It is the government’s program, which is a step in the right

direction, but we are not going to get any stunting reduction if that is the only thing that we do.

Stunting Prevention Program

- The stunting prevention model that we implemented with the GoS in Thatta and Sajjwal really shows that actions can be taken and they can really have an impact on the short term in the risk reduction of stunting.
- The model was around the primary health care system – i.e., through the LHWs, behavior change communication and provision of specialized nutritious food to the mothers, the pregnant and lactating women and children under 2 years of age.
- All the sectors are very important, but all those sectors require some time to come up to the level to have an impact on the indicators. At the moment, when there is food insecurity, unaffordability, poverty – the efforts need to focus on those interventions that are going to provide us with those essential micro and macro nutrients, and for them to really harness the potential of the 1,000 days window of opportunity.
- The Randomized Control Trial (RCT) that we conducted in Thatta and Sajjwal for this model really shows greatly reduced stunting (i.e., more than the global rate, 96%) for children at 6 months of age who were receiving from those mothers that were getting assistance..
- With this approach, there has been consequent risk reduction in wasting as well as an impact on the anemia level.
- The quality implementation of the program and the inclusiveness of the approach is the key – e.g., if you are talking about the CMAM Program, you need to include an acute malnutrition program with moderate and severe malnutrition

also – because moderate is the first stage that the child enters and then progresses into the severe one. So, the continuum of care from zero to the last step should be there by developing our programs.

b) Key Issues, Challenges and Gaps

Below, some program-specific issues, challenges and gaps are highlighted, whereas, the more generic challenges are identified in the subsequent sections.

Accelerated Action Plan (AAP)

- AAP includes all the interventions which are mandatory to tackle the issue, but there is a serious *lack of water related interventions*; interventions are heavily focused on sanitation. Water is a huge problem in Sindh. We need to bring the HEJ formally on board, under the AAP; they should be responsible for water testing, as well as the development and communication of water-related programs. If you focus on everything else and ignore this issue, you will still be facing a similar kind of problem.
- The *sanitation program* should be redesigned in such a way that small sewers should be linked to the main sewer of the province. We have been working on behavior change, and people have been responding. For example, they have built latrines, but where do they throw their garbage?
- Most of our population cannot afford a nutritious diet – that should be a priority. We need to *revamp agriculture extension strategy* that has not worked in the last 10 years. People, do have the land to cultivate, but they lack the innovation and use of technology. Our agriculture extension workers need to be trained on modern technologies and equipment so that they

can work with the local producers on improving their productivity.

- *UNICEF Intervention*: There are 10 types of nutrition activities in the initial 1,000 days, out of which only CMAM is being carried out, whereas, the other 9 are not.

Nutrition Support Program (NSP)

- We faced the first issue with the *Referral System* – despite having trained 95% of LHWs, the referral system was still the weakest.

Insights Based on Regional Examples

Some of the comments identified the need to learn from the insights based on regional examples, such as the following:

- Mineral molasses packs for livestock production, used in farms in Uganda, is an easy technology and does not require a massive extension service. If the farmers see the results, they will adopt it and also tell their neighbors..
- In the Philippines, the issue of malnutrition was addressed through actively engaging the political parties in the advocacy campaigns so that the senators as well as media were conducting roundtable discussions about these sensitive and specific issues, creating awareness.

Local Solutions to Local Problems

The alternate perspective highlighted the need for generating local solutions to local problems, including the use of locally produced resources.

Examples included the following:

- The provision of therapeutic food currently being supplied by WFP and UNICEF needs to be taken over by the government. It needs to be manufactured in the country instead of importing it from

Switzerland. Locally made food needs to be advocated at the community level and, then, at the policy level. We need to provide a balanced diet, supported by availability of diversified food through food security and poverty reduction programs.

- The examples of successful interventions (*Stunting Prevention Program*) from Pakistan, implemented through your local people, through your local system and through your local government, should be really looked at.

Advocacy and Awareness Raising: Community-Based Engagement

The discussion focused on advocacy and awareness raising as key aspects of nutrition-related interventions. The following current gaps and potential strategies were identified:

- In order to reduce malnutrition, wasting, stunting, anemia and micro-nutrient deficiency, we need more social protection programs and a wider social behavior change communication. We do have a strategy but it is not scaled up – it is not reaching the people it is supposed to reach and also not at the desired pace.
- Stunting programs focus on diversifying diets – however, we found out that people do not really want to diversify their diets; the diet preferences in the country are really restrictive in terms of what people like to eat.
- We need to take the outcomes of these discussions to the public and convince them of the significance of these issues – e.g., that they need to diversify their diets and change their eating habits; that the expensive oils that we import have zero nutritious value. We have to engage multiple stakeholders rather than only technical ones as is happening currently.
- We need to bring on board the lady health workers and the MNCHs because they are

our first line of defense; they are the people who go out in the community and interact at the household level. At the end of the day, nutrition is not about supplies. It should not be a demand-driven program. It is all about behavior change at the end of the day.

- The information department should be part of all these meetings – their capacity needs to be enhanced for reporting on such important issues for greater impact.
- The parliamentarians should be proactively engaged by sharing this issue with them so that they can put this in on their manifesto as part of their pre-election campaign.
- We do have laws regarding breastfeeding and stunting, but their implementation is the problem. The Standing Committee in the parliament can keep a regular watch over the progress in relation to the nutrition support programs.

The significance of community-based intervention was discussed in quite some detail:

- There are many community-based nutrition intervention programs throughout Sindh, and the Nutrition Program is one of them.
- Stunting is a huge issue; it might take decades to overcome and a decades-long strategy is required, which should be community based.
- However, only 58% of the population in Sindh is covered by lady health workers; the rest of the population is without community health service. We cannot deliver any community services – family planning, health or nutrition advocacy – without being able to reach out to the community.

- The interpersonal communication through the health workers at the household level is very important.
- If there is already a community organization working in a particular community, then let us not duplicate the efforts; we must use a lean approach now, as every organization doing their own bit is actually dividing the community.

Issue of Sustainability – Integrated Approaches, Ownership and Institutionalization

This was a very important theme discussed at length; the various issues discussed are categorized in terms of: a) issue of vertical programs, b) institutionalization of plans and mechanisms, and c) need for integration and harmonization.

Vertical vs Regular Programs

- GoS has made efforts to address malnutrition in Sindh from time to time. However, the issue is that the intervention programs are limited to some of the vertical areas – NSP is in 9 districts; the “1,000 day” approach is in 3 districts; a WFP and USAID-supported program is in 2 districts. The interventions have produced positive results, but the issue is how to replicate successful models as part of regular programs.
- Health has vertical programs and PPHI; the coordination and the convergence of activities at the DHO level is lacking. The strength of the DHO is really handicapped because of the various vertical programs.

Institutionalization of Plans and Mechanisms

- We need institutionalization of the various mechanisms introduced – e.g., the lady health workers and the MNCHs need to be brought on board. All the extension

workers from all the other sectors, such as agriculture, need to be mobilized for wider and sustainable outreach and impact.

- There should be a multi-sectoral approach so that the development partners could align with it. I am not sure if the NGO or the project model will be the best model in the long term. The government should have its policy, the nutrition plan – and the donors should support that program.
- Under the EU support, the Community Led Development Strategy is in place, which will provide the basis for all programs to basically build on the investment that the GoS has already made in the UCBPRP program. The program has been designed by GoS as a long-term program. Thus, every NGO or donor organization who would like to contribute to a nutrition-related program can build upon this program in order to scale up their implementation. Otherwise, they will continue designing isolated or ad hoc committees, which will end with the closure of the respective projects.
- An important issue is that of the ownership by the sectors: AAP is an instrument which is implemented by the Taskforce Secretariat. However, currently it seems as if we have taken a unit from each department on loan, and that unit has really no connection with the Secretary or with the administration department. The ownership by the administrative departments is lacking – it may be because the program coordinator of the sector does not really stimulate the administrative secretary of the respective department to the required level.

Integrated Approaches; Harmonization of Projects

- The problem that is currently being faced is lack of harmonization: we use different kinds of indicators, standards and health messages.
- For the health sector, a center could be established or located within the health facility to help in dietary/trajectory check – the cases can be referred directly. The referral system is currently missing. Such facilities are being run only by NGOs or through a parallel system.
- Family planning is very important for nutrition. At the health facilities (the DHU or the health centers), they can offer a complete information package to the mother regarding spacing the birth of children, adding supplementary micro-nutrients, etc. This could also be facilitated by outreach with the help of the LHWs and through community work.
- When a mother comes in with 3 kids of different ages (and is also pregnant), we normally look at only one person who is deficient. We could offer a whole package – not just the post-natal but ante-natal also; this way we can target four people visiting the health facility.
- Any pediatric ward should have the mechanism in place to manage acute and moderate malnutrition. It should be in their OPD systems and their in-patient care because it needs to be a sustained project.
- The convergence of all the various nutrition-related activities is very important:
 - Unless in one geographical area, all the sectors work together; otherwise, we will not be able to reduce malnutrition and stunting.

- Nutrition-related activities need to be integrated in the planning by all the respective departments.
- There is a need to address the issue of sustainability of projects – with the closure of the project, the impact is also gone. A long-term approach should be taken by the GoS.
- We have to decide whether AAP is a document which has to be taken as the basis for all the inter-sectoral and multi-sectoral strategies to address malnutrition, especially since the document has been prepared with contributions from World Bank, AKU, academia and other stakeholders to work for the next 5-10 years.
- As an immediate next step, a review should be carried out of the AAP document, in terms of what AAP has achieved and what needs to be done. Furthermore, a mechanism should subsequently be put in place to carry out periodic review of the document.
- We have not really mapped the activities for AAP. We know that in different districts, different partners are acting, but we have not really decided what is going to be the percentage of coverage based on the population, geographical area, implementation of the AAP, who is going to do it, etc. We failed in getting this done for last year; however, unless we know how each district and UC is being attended to, we will not be able to really review the progress and accomplishment of the task. Therefore, the convergence and mapping are important

Governance – Quality of Implementation, Coordination, Oversight and Accountability

Although many of the above issues relate to governance also, this section presents the discussion points with an exclusive focus on issues

of implementation quality, oversight and accountability under the broader theme of governance.

- The clinical and health aspects and treatment issues are very important, but we also need to look at the administrative issues and management. Of course, political economy also plays a role.
- Though AAP is a good example, there have been some delays also for which there could be various reasons:
 - At strategic level, the missed opportunity in the nutrition strategy was where we were not able to exploit the resource that was already there – at the level of MNCH, EPI, other health intra-sectoral and population welfare level.
 - Some of the elements of the first-year intervention were micro-nutrients and food supplement initiatives, which took a long time to take off. Our outcomes would have been quite different if those could have taken off at the right time. All the input made, developing a DCC strategy and training all those people – this would have multiplied had there been an enabling environment.
 - Implementation requires coordination among the stakeholders, but the capacity of the government department is an issue and so are the procedures through which the government works, which often result in delays.
 - When it comes to nutrition-sensitive programs, you need an inter-sectoral approach. This requires an oversight body, making sure that the different sectoral representatives are together and agreeing on common indicators (area development approach). Those

are then managed and monitored, and there is accountability.

- Thus, currently, there is a need to ensure oversight and some supervision to provide guidance to all stakeholders working in the sector. One possible suggestion is that AAP should be placed within the P&DD as the health department is looking after some other programs also.
- There is also a need to strengthen the task of the Secretariat. The current structure and coordination mechanism is as follows: There is a Provincial Taskforce for Nutrition, which is headed by the Minister of P&DB, but also includes other ministers, all the secretaries and representatives from the international partner. Then, there is the Taskforce Secretariat headed by the Program Coordinator, and further supported through a program manager and 10 specialists. Since there is no separate administrative department for nutrition and all the sectors are combined together to bring about this activity, the *coordination* becomes a big problem. All the 8 program coordinators there work as part of technical working group for the secretariat and review possible actions, etc. Additionally, I suggest that the administrative secretary should nominate at least one additional secretary of the department to become a permanent member of the working group so that there is ownership of the administrative department.
- Capacity of NGOs – while designing a project, there is a need to ensure that the selected NGOs have adequate capacity. The selection of NGOs based on a lesser financial bid may have implications for the capacity of the organization, leading to implementation gaps or quality issues.
- These issues need to be raised with the CM as the first phase of implementation,

as the Nutrition Coordinator has direct access to the CM. The 2nd meeting of the Taskforce has recently taken place, and the idea of such a high-level meeting is to put all these issues in front of the taskforce and get mitigation measures out of it.

Decentralization or Devolution at the District Level

Some of the issues were decentralization or devolution related, such as the following:

- Despite devolution, many things are happening at the provincial level and not at the district level.
- It is nobody's fault, though – it is just that it takes time for the government to devolve to the lowest level.
- Therefore, some more work should be carried out at the district level; the beneficiaries of our interventions should primarily be those below the poverty level.

In response to the issues raised regarding district level coordination, it was shared by the GoS that in order to address the identified issues, the government has worked very comprehensively and very exhaustively to get the district committees notified (along with detailed TORs) by the GoS at the district level.

Issues of Coordination and Collaboration

Issues of coordination and collaboration also merit a separate mention because of the length and depth of the discussion that took place about them.

- *District level coordination:* There has to be a strong coordination at the district level because multiple sectors, multi-partners and multiple line departments are all working together.
- *Coordination between Government Departments:* There is still a lot of silo

attitude between the departments. Our key ambition is to work for linkages and bridges between departments and develop systems that not only enable but force the departments to work together in terms of indicators. As part of the EU program component, we are looking at the multi-sectoral cooperation and coordination for improving nutrition in this country.

“There is still a lot of silo attitude between the departments”

- *Coordination among Development Partners:* Some representative comments are highlighted below:

“...the divergent and independent directions taken up by the various partners ... there is no really convergence of activities”

“It seems also that between the stakeholders, beginning with the development partners that are very close to the government and that are non-governmental – there is more need for coordination and cooperation and communication.”

There is a need to place more emphasis on a mechanism for coordination among different stakeholders and, in this way, also promoting different levels of the stakeholders. The European Union was used as an example to indicate their cooperation in including nearly all the various interventions of AAP in the PINS program.

Monitoring and Measuring – MIS System

- We need to monitor whether departments are integrating indicators into their policies and nutrition-related interventions into their annual or long-term plans. The EU program intends to build capacity to enable bureaucrats, administrators and other stakeholders to pay attention to how to implement what is written in the plans.
- We need to know what problems are stopping mothers from exclusive breast feeding and track those.
- The major problem is inter-operability of the MIS system. Every department has its own MIS system – there was a resistance to have common indicators, which could enable us to look at where are we going or failing. That kind of MIS system does not exist.
- What has been missed out on is to capture the experiences of our female workers – what has worked and not.

Finances

- Finance is a big problem: For a period of 5 years, we visualized an expenditure of nearly 65 billion rupees, out of which the government has assured only 50%. The purpose of this development forum is to stimulate the international partners to come up with sizeable contributions.
- In response to a query regarding the current budget allocation for nutrition, the response was:
 - GoS allocated 1 billion rupees for last year (Year 2016-17), which were released.
 - In the AAP document, 3 billion rupees have been assured by the GoS for the period of 5 years.

- However, it has reduced to 2.5 billion rupees in the very first year.
- Utilization is the biggest challenge; the respective departments have not been able to utilize even 20-30% of this budget allocation (the issue of capacity).
- On the financial aspects, at the end of the day, the commitment of the GoS is there – declaring it as an emergency, allocating resources and having an overarching program available in form of AAP.
- I have worked in this sector for the last 19 years or so, and I have not seen in any other province that the aid sector has gotten onto the recurrent side of the budget.
- In the first year, when the amount was released the government could not get

around to utilizing the funding. The financing is basically incremental budgeting, not performance budgeting – i.e., whatever you have spent, the government will make an outlay based on that for the next term. So, it is important to make efficient and effective use of what is there on the table – having the finances that we have at this point in time and using them for the programs that have been outlaid.

Synthesis of the Working Group Discussion

The synthesis of the working group resulted in the identification of priorities and strategies and was presented in the plenary session.

Key Priority Areas

Box 15

Key Priority Areas: Nutrition

1. Recognize AAP as a basic document with periodical reviews and modifications
2. Governance and coordination in all nutrition-related activities at all levels
3. Assuring behavior change through strategic directions
4. Stimulation of administrative departments to own nutrition-related activities
5. Fortification and supplementation

Box 16

Collaborative Strategies: Nutrition

1. Introducing good governance by reforming working procedures and strengthening the task force for nutrition through legislation
2. Mobilization and promoting involvement of community organizations in nutrition-related activities and behavior change while building on the existing community structures
3. Improving accessibility to nutritious food through agriculture, cattle farming and aqua culture in a public private collaboration
4. Reforming the health department, neutralizing the negative aspects of vertical set-ups and PPHI, and strengthening LHW coverage
5. Formulating agriculture policy whereby cultivation of nutritious crops is encouraged throughout Sindh through subsidies, etc.
6. Fortification, breastfeeding and salt iodization should be pursued aggressively
7. Donors stressed the importance of the GoS addressing the issue of water pricing policy that is directly contributing to the misuse of scarce water resources and inefficient agriculture practices (including disincentives to make investments in improved agriculture-related technologies). The lack of water pricing acts as a subsidy for water-inefficient cash crops (i.e., cotton, sugar, wheat and rice), while creating further disincentives to invest in agribusiness and related infrastructure to grow nutritious crops and bring them to market (fruit, vegetable, pulses and nutritious oils such as olive and canola).

Sector Seven: Public Financial Management

Introduction: Sectoral Overview

The group deliberations started with a round of introductions by all the panel speakers and participants.

The introduction and background to the sector included information regarding the existing plans and policies, key achievements, and main issues and challenges. These are outlined below.

PFM Policies and Planning Documents

PFM reforms started after the 18th Amendment. The PEFA Assessment of 2009 and 2014 provided an opportunity for the GoS to undertake substantial PFM reforms. Based on this assessment of the World Bank and GoS jointly, the PFM Strategy was launched in 2014. This, in turn, was followed by two major plans:

1. The Sindh Tax Revenue Mobilization Plan; and
2. PFM Action Plan

The action plan is inclusive, focused on budgeting, reporting and oversight by the public representatives and senior management.

These are currently being undertaken through World Bank Finance, the Sindh Public Sector Management Reform Project and the EU Finance PFM Support Program for Pakistan, Sindh. They provide the roadmap for advancing meaningful PFM reforms in Sindh.

Achievements and Successes

In addition to development of policies and plans, the PFM reforms resulted in establishment of some new institutions, which is an important outcome of reform initiatives to get institutionalized. Examples include the following:

- Debt Management Unit (established in the finance department) – it is an independent unit, which takes stock of debt-related data;
- Tax Reforms Unit – this provides coordination among the tax collecting agencies, research analysis and policy making; the unit's establishment is in process;
- Internal Audit Unit (IAU) – this unit ensures alignment with all the departments. To date, the IAU has conducted audits of 4 departments: Education, Finance, Health and Home.

Other key successes reported include the following:

- Publishing of budget strategy papers and quarterly reports of budget execution (by the finance department every quarter).
- Creating an Annual Development Plan (ADP) monitoring dashboard in the P&DD for management of the development expenditures.
- Putting in place a system for management of public procurement that is being developed by the SPPRA.
- Joint trainings are also being conducted of the staff in the finance and planning departments as well as of the DDOs..

Some other reforms currently underway are:

- Approval of the Public Financial Management Law
- Updating the outdated financial management rules and regulations; updating the budget manual, where a comprehensive manual is being developed for the planning department

- Approval of the capacity development strategy

Key Issues and Challenges

The key issues and challenges faced are:

1. Governance
2. Resource mobilization
3. Capacity
4. Sustainability of initiatives:

In the past many initiatives were taken, but we could not sustain them.

5. Budget development – *Coordination and linkages*

There is a need to create linkages between development expenditure and non-development expenditure. In the budget development process, there are deficiencies: the policies or the programs of the departments somehow do not get translated into their budgetary process; they are working in isolation. The departmental action plans and their long-term strategies are not in alignment. There is a need to synchronize the efforts of all the departments – the various departments, especially in the social sector, are moving in different directions. These are the broad challenges faced every year in the budget making process.

6. Issue of debt management

GoS is trying to strategize the whole process of reform by putting emphasis on each area of core importance.

Key Deliberations

Broader Comments/ Issues

- How can we make available in real terms what is available in the budget; what kind of capacity building is needed to support this? Do the

people at different levels in hierarchy have the necessary skills? Does the District Education Officer have the necessary skills to not just check the expenditures but to check the teachers' work also? The problem is that the budget does not reach the beneficiary. How do we make the budget outcome based, and how do we link the needs with the budget?

- The coordination between the finances and P&DB should be strengthened. The budget is artificially divided, not just in Sindh but all over Pakistan; we cannot even monitor ADP. We all know these issues, but we cannot do anything about them. Unless we delve into that analytical space and ask who gains and who loses through PFM reforms, we will continue to talk about the same thing, and the problems will still be there. A broad question is: What is stopping us from the reform sustainability?

Governance

Decentralization:

- Fiscal decentralization
- Uncertainty in the transfer of funds from the federal to the provincial government
- We should talk more about “decentralization” – what it really means, which things need to be more centralized and how to create better interrelations among different institutions. There is a strong planning department at the provincial level, but then there are line departments and the social sector that works centrally. In the planning department, you also have sectoral departments, and they do not always coordinate with the line departments. There is a need to bring the line departments together, and not bilaterally.
- PFM for service delivery – it is important to note whether it is really supported by the Local Government Act and whether there is a link between the PFM and the fiscal decentralization.
- One of the critical areas and points of consideration is that we have been focusing on

fiscal decentralization and, primarily, from the point of allocating budget to the local government. The 18th Constitutional Amendment has devolved 41 functions of the Concurrent List. In addition, whatever functions have been allocated in the Local Governance Ordinance 2001, there are only a few functions which have been encroached upon or taken away by the provincial government. One area of my concerns is that probably, currently, there are too many areas that the provincial government has taken on, and their performance on these areas has really been problematic, both in terms of budget allocation and service delivery. As a member of the Financial Commission, we have been allocating budget to the local government primarily to fulfil their recurring expenditure requirement, and not their development expenditure requirement. Even primary education has been taken over by the provincial government and, as an Economist, I feel that it should be assigned to that level of the government which provides the “least cost solution” to public service; managing primary education while sitting in the provincial capital is much more expensive than decentralizing it. Political will is needed to devolve those functions to the local government so that we are able to allocate adequate budget and, simultaneously, also resolve the issues of capacity that are there at the local government level.

- We talked about fiscal decentralization and the devolution of responsibility, but we need to see how taxation powers can also be devolved at the local government level (we have a very good example in terms of the Sindh Revenue Board – for example, property tax).

Coordination and Collaboration

- In relation to resource mobilization, there are three tax collecting agencies in Sindh province: 1) Sindh Revenue Board (SRB), 2) Board of

Revenue (which is largely connected to agriculture taxes), and 3) Excise and Taxation (which collects taxes related to urban issues). SRB is doing quite well – their progress is really laudable in the short run because of the lower waste and higher growth. However, what is lacking is the coordination. There are many fiscal bases which can be shared among these three entities. We should consider these questions: – How effective is the coordination among the three while making the budget? Is the Finance Department an umbrella body, how do the SRB and Excise Departments work within it? How effective is their coordination?

- Simultaneously, there is also a lack of coordination at the federal board of revenue level and in relation to their support to the provincial government. A recent example is where at the federal level, they have the information of the agriculture revenue income of people who had declared it. The provincial government requires this information (since there is a tax exemption on such income) so that the government could utilize it for the purpose of broad basing their tax. This requires coordination which needs to be strengthened.

In response to the above observations, the following comments were made:

- There is a provincial committee for coordination between the federal and provincial level. As far as income tax is concerned, this issue has already been taken up with FBR 15 days earlier through very rigorous meetings with them. FBR has committed that they will share their database.
- At provincial level also, the Finance Department has a very good coordination with all three tax collecting agencies; they are about to establish PRU – that is the reform unit in the resource wing. And before finalizing the budget, a series of meetings take place with these agencies. There is a combined meeting with them at the Finance Secretary level, at the

CM level and even in the Cabinet. Then the new tax proposals are finalized.

Informed Decision Making/Data Management System

- We do not have any Gross Regional Product (GRP) – we do not have any systematic data on the GRP or the decomposition of the GDP at the provincial level, which is required as an effective planning tool to understand what our strengths or weaknesses are in terms of tax basis and where we are relying. In India, this data is available at the district level. Individually, there are efforts which have been undertaken in different provinces to compute GRP, but there needs to be consensus on the methodology used in computing it and also consensus among the provinces on this. Earlier, when the VWB had computed the Sindh's share in the GRP, it was dismally low from our end. At the national level, there should be an effort that the GRP should be computed at the provincial level so that it could be effectively utilized for planning.
- SBR has the protocol for tax collection data exchange. However, with FBR, one has to raise the issue every year. It is very easy to have a *data exchange* in Pakistan, since all the data systems and all kinds of datasets are there, but the issue is that of *coordination between the provincial government and the FBR*. For example, when we talk to FBR, they say they are talking to the provincial government, and when we talk to provincial government, they say that they are trying to get it from the FBR. We have now sorted the *tax revenue collection* in Pakistan, however, the only way we can consolidate them is through *data exchange*.
- The data still is being kept in secrecy: Each department which has some data does not want to share with the others. FBR issues notices to the provincial authorities to find out whether people have paid their taxes,

especially those who have declared agriculture as their income but have actually not paid to the provincial government. When asked, FBR seemed reluctant to share the information despite the fact that they did issue notices to these individuals. The list we sought informally revealed various discrepancies of claims – e.g., a company claims to have paid tax which is more than the total revenue generated for Sindh.

- Tax is a lifeline of a state and, therefore, on tax issues, there should be a coordination mechanism. The coordination should be above the level of the tax administrators because tax policy is a political decision most of the times – e.g., the National Tax Commission has incentive to showcase in terms of their own numbers, so, they have no incentive to exchange data.

Monitoring

- What we lack is implementation and monitoring. There are examples where 8 rooms have been under construction for many years; on paper, they may be complete, but in reality they are far from completion.

Budgeting Planning and Processes

- *Expenditure Forecast*: There are some major and critical issues that need to be resolved. We have taken certain steps in terms of PFM reforms for better budgeting, but we have not achieved any great success on that account. Our budgeting is still way off the mark; our revenue is much higher than what actually transpires during the year. And if we forecast revenues falsely, then based on that, our expenditure forecasts are false; there is thus a huge discrepancy between the two at the end of the day. There is a Cabinet meeting coming up; we are taking the budget strategy paper to that meeting.

Federal Control over Funds Transfer

- Our budget is not in accordance with the budget strategy paper. The main problem is that “the revenues still are mainly in the control of the federal government” even after the devolution. There is a lot of uncertainty in the transfer of funds from the federal to the provincial government. We are now entering the last quarter, and we are still not sure of the kind of cash flow there will be between the two. One cannot plan if there is lack of certainty; budget planning can improve if there is more certainty in relation to the cash flow.
- The size of transfer from the provincial government for the development budget is negligible – only the revenue expenditure and the recurring expenditure requirement have been met.

Political Prioritization and Ownership

- In such scenarios, the development schemes become the first causality – e.g., we have 3,000 development schemes; however, those that came in the middle became the priority, and the money started getting transferred from the existing ones which had already been approved by the provincial government. There is, then, this political prioritization. The existing mechanism is to get approval from CM; once authorized by the CM, it passes through P&DD, then the Technical Committee and so on and so forth – this is a bad practice. These are the major pitfalls and, whereas some of the issues can be controlled through good management, others can only be controlled through addressing the issue of political prioritization.
- The kind of input that is required from the political leadership, the Cabinet, during the budget making process is missing. It is still a bureaucratic exercise: the people in the finance

department are basically getting their demands from the departments based on last year’s expenditure, adding 5 to 10% according to their priority. This is presented to the Cabinet on the very day when it has to be presented to the General Assembly. This is one of the reasons why the non-ADP schemes keep coming. If the political leadership could be involved during the preceding 6 months, it would create greater ownership of the process. Generally, those schemes get better funding and are effectively implemented where there is more ownership of the Minister; normally, these are the schemes that enter during middle of the year. Moreover, the process of getting advice from the departments starts very late.

Participative Budgeting Processes

- PFM started around 3 years ago, so one can compare the performance of GoS before that and now, and notice some improvement due to the reform activities initiated. For example, – e.g., the SAP system is very good. In addition, the online system of the SRV Sindh Revenue Board is good, where anyone can pay their taxes while sitting at home.
- The budget making process does not take place in isolation – we take all stakeholders into the process and then finalize. For each department, a series of meetings take place and then it gets finalized according to their justification, utilization and historical trends.

MTBF Budgeting

- GoS has committed to change their existing budgeting to incremental but this has not been done. There are many budgeting systems running in the departments. The essence of the MTBF has not been utilized – the MTBF Unit worked very hard to develop the MTBF budgeting, but the GoS is not using it, so the effort goes to waste. Then, there are issues

with the MTBF as well. MTBF focuses only on the expenditure side; not taking into account the development side and the receipt sides.

- MTBF has developed guidelines, but they are not being implemented as there are some issues. As per the guidelines, the MTBF budget needs to be presented in the higher forum so that it becomes mandatory for all the departments to follow. The responsibility should now fall on the line departments, but the way they provide data, it becomes very difficult to make sense of that for the budgetary process. Training needs to be done at all different levels. GoS has prepared a very comprehensive document – a “Circular” indicative of formats as to how the budget needs to be prepared. There should be commitment on part of the departments to implement that; it is not the responsibility of the finance department only.
- There should be long-term planning for MTBF, and it should be implemented across the board. The PFM strategy highlights the monitoring mechanism for it and has defined strategic reforms; they should have frequent meetings to improve implementation.
- GoS has taken many initiatives, such as developing an Internal Audit Function; they also have the M&E Unit and have developed a lot of policies and procedures guidelines. Now, there needs to be strong system for their compliance.

Risk Management

- Risk Management is certainly an area of focus for finance and an essential aspect of the effectiveness of planning, with linkages to budget, transparency and effectiveness of public procurement. We need to focus on that. We also need to focus on improving our procurement capacity; we need to improve it because that links to corruption as well. As compared to the rest of the country, Sindh has

definitely made major achievements, but it is still at a nascent stage.

Gross Regional Product – A Planning Tool

- Sindh is doing better than other provinces in the sense that its expenditure relies less on federal offices. However, the issue of calculating the provincial GDP is an important one: If the revenue projection is clear, it affects your overall budget allocation, especially your ADP. In principle, the recurrent finances at the federal level development budget tend to be near the expectations of what you have. If these expectations are not realistic, then what you get is under-execution of the development budget. If the revenue did not materialize, the departments cannot spend.
- Regarding GRP, in an ideal situation, it has to be a bottom-up approach to develop a formula for calculation of computation, but it is controversial. An alternate could be calculating the GRP of the province independent of the GDP because we do not need to compare that we are growing faster than the other provinces; rather to look at our own provincial growth.
- Conversely, if all the provinces start doing it separately, the problem is that some of the provincial GDP will be more than Pakistan’s overall GDP. This issue should be raised in CCI, that PBS should be asked to produce not only the provincial GDP (since they have data), but also produce it at a much higher frequency or at least bi-annually. Many other countries, despite ranking low on economic status, are doing it on quarterly basis.

Issue of Consolidation of Cash Balance

Some discussion took place about the issue of consolidation of cash balance vis-à-vis money available in the commercial banks. The main comments, along with responses made, are:

- If you look at the report of the State Bank of Pakistan, there are 2 trillion rupees sitting in commercial banks in current accounts at the same where the government is borrowing at high cost. These funds need to be brought back into the Treasury.
- Response: This issue has been debated for the last 18 months or so; the State Bank is unsure of what they are saying because the money mentioned represents assets, mostly of the investment funds, the provident funds, etc.
- I have seen the details in the report – some part of it comes from the investment funds. etc., but the other part comes from the development budget. The moment a development budget is transferred for execution into a commercial account, you do not see it in your system; it looks like expenditure.
- Response: Generally, we do not shift the budget to the commercial banks, and we are also looking into the details of those accounts in which some departments may have shifted their development budget into the commercial banks. This is not a very simple issue: In some cases, the funds are like provident funds; in some other cases, the funds are the local council's account; and in some cases, maybe there are some violations by the department. So, we are looking at those accounts which are not eligible for commercial accounts.

Effectiveness of Audit and Audit Management

- How effective are our audits performed by the Auditor General? It is a good approach that the GoS is taking the help of a Charter and Accountant Firm to manage the internal audit function, but is there an internal audit space; do the departments have the capacity to conduct internal audits?
- What about the effectiveness of the Public Accounts Committee? If there are outstanding audits and issues for a long time, what can be

done to bridge that gap and, primarily, help the government in effective risk management?

- The goal of every PFM should be service to the client or improving the services. For instance, with reference to the EU project, a discussion took place a few days ago regarding moving away large chunks of government money through systems other than those of the government (such as the commercial banks) or having a system for the PTC which is in the commercial bank account. In such cases, there needs to be an expenditure reporting mechanism in place, which is not there currently. For moving government money through other than government systems, there should be other parallel systems in place to report on these.

Issue of Release and Utilization

- Low utilization is a very important issue; a linked issue is the quality of the initiative or the value for money.

PFM for Service Delivery:

- We presume that it is only a good PFM system that delivers services; it is a necessary condition, not a sufficient condition though. There are also other conditions that need to be in place. There have been initiatives that have not delivered because the details of the PFM system were not delivering directly. The latest example is where the Education Department has hired a thousand head teachers on contractual basis and want to give them the DDOs powers, but contract-based staff cannot be DDOs. Even if they receive training in this task, they still cannot spend unless the rules of the province are changed. One cannot get an exemption in this case because then the exemption will need to be given to all the privately hired staff. And, then, if you give these head teachers a school-based budget, it remains unspent: 18 billion rupees over the last 3 years remained unspent.

- The drawing and disbursement rules for the government officers are made in such a way that it may take them 10 to 20 years to understand how to spend the money and how to report. Therefore, if you allocate billions of rupees on such a project and expect the high-level school education reform project to deliver, it will not deliver because the money has not been spent. Thus, the PFM on paper may be done well but in actual execution, it may not deliver.
- Moreover, when it comes to PFM at the district level, we notice that someone who had been a teacher all his life had been assigned the role of a headmaster and the responsibility to spend money. This person did not have the capacity to spend even when it comes to small amounts of money.
- Therefore, PFM for service delivery has to start at the bottom, i.e., at the service delivery level, and then work upwards, where the decision regarding what kind of program is needed can be made.
- There are two issues: 1) the issue of the releases – that means providing the releases at the appropriate time to the departments; and 2) the capacity of the departments to utilize funds within the appropriate time frame. In the last 3 to 4 years, the system of releases has been devolved and linked to expenditure. Last year, the utilization of the development budget was tremendous. The actual was approximately 194 billion, out of the release of 210 billion, which reflects the level of the commitment of the department. In strictly financial terms, we witnessed more utilization. However, the issue remains of the efficacy of those expenditures.

Capacity Building

Execution Capacity Drawing and disbursement rules for the government officers:

PFM for Service Delivery

- There is a need for building execution capacity. We have been undertaking capacity building for decades, but the question is sustainability of the capacity building at the level of execution – line department level and district level and at the level of the staff. Unless we have a bottom-up approach, we will still be talking about it 10 years from now.
- Capacity building is a major issue: PFERA has been there for a long time, but usage is very limited; the capacity is very limited. The Finance Department is relying on 2 to 5 people who have the capacity – the clout. Therefore, the system is hostage to these people; then there is the issue of transparency also. There is hardly anyone in the finance department who has a complete command over all the system, e.g., to exploit all its features and generate report on the forecasting.

Priorities

- We need to be more focused in terms of our interventions.
- *Output-Based Budgeting*: It is hard to improve the performance of the social sector. If we talk about education, of first and foremost significance is the teacher. It is not fiscal, quality management nor engagement – what needs to be in place is a system where the planning department, the line departments and the finance department all should have a shared view of what should come out of that investment.
- One of the things that will set the direction of PFM for the next 5 to 10 years is the approval of the PFM Law within the next 2 months at the level of the CM and provincial assembly. It will set the agenda for all of the following:
 - Internal audit function will be established (no later than 3 years from the enactment of the law);

- Performance reporting by the principal accounting officers and the Secretary (5 years);
- Output-based budgeting (5 years) – all the departments are required to indicate the outputs and also how these outputs are going to improve the functioning of the department; and
- Professionalization of the PFM functions in all department (5 years).
- What has PFM achieved in the last 20 years; and what is it expected to achieve in the future: Services; transparency; professionalization? Some of these are already indicated in the law, and some still need to be discussed.
- *Climate and Gender Responsive Budgeting:* We also want to cater to climate and gender responsive budgeting – we need to develop a system so that we know how much budget is being allocated for these areas.

Poverty Reduction:

- There needs to be a review in relation to reduction of poverty; the budget allocation is not independent of the level of poverty. Do you think it is practically possible to provide more ADP where there is more poverty? Some data are available, such as the poverty scorecard.
- We are carrying out an exercise in KPK on the equity of the education budget: The main focus is at the child level; we are making an analysis between poverty and level of education performance – poverty numbers in the population, budget allocations and the availability of services, etc.
- We will have some numbers based on the poverty (not the poverty score card but the traditional one), but we need to improve that. We face a problem in getting more detailed data at the district level, but what is available to address this issue of poverty is the level of backwardness. We have the district-level indicators on the basis of which we can assess the level of backwardness of these districts.

Also, while allocating the recurring budget, we are looking at some of these indicators, such as population, backwardness and revenue share in different districts of Sindh. There are some district-wise schemes in the ADPs independently, but not poverty or backwardness-wise schemes.

- We did a “public expenditure review” for Sindh, and we discussed all these allocations and operational issues in the Sindh in the social sector – e.g., in education and health, in terms of districts not getting enough and therefore the need for standardization.

Collaborative Areas

- Regarding international cooperation, at the end of the day, we are more of a technical support and what we can bring to the table is the added value under the leadership of the provincial government.
- What kind of support needs to be extended by the international cooperation to provide support both on the income part and the expenditure part of the finance? How can we establish systems that can support the level of decision-making required, e.g., in relation to incomes, fiscal policies, taxation and better collection at provincial district level? On the expenditure side, how can we build capacity for budget planning, i.e., budget with results? Many issues are in the social sector – how can we support the leadership of the social sector?
- How we can organize ourselves and commit to the development in Sindh? How can we divide our expertise in Sindh – in a coordinating manner, not isolation, to provide quality support?

Synthesis of the Working Group Discussion

The synthesis of the working group resulted in the identification of priorities and strategies and was presented in the plenary session.

Key Priority Areas

Box 17

Key Priority Areas: Public Financial Management

1. Provincial Resource Mobilization
2. Collection of Credible Macroeconomic Data
3. Gender and Climate Change Responsive Budgeting
4. Participative Budgeting Processes
5. Capacity Development of Officers in PFM
6. Output-Based Budgeting Linked with Development
7. Constant Engagement of Political Leadership in the Budgetary Process

Collaborative Strategies: Way Forward for Partnership

Box 17

Collaborative Strategies: Public Financial Management

1. Improved tax policy, administration and automation.
2. Support to Sindh Bureau of Statistics for determination of provincial GDP and other critical provincial statistics
3. Integration of different dimensions of gender and climate change into the planning and budgeting process that includes allocating adequate funds and developing financial tracking models
4. Continuous engagement with the key stakeholders (citizen/civil society) for a realistic budget-making process
5. Rolling out a Capacity Development Strategy through Capacity Development Plans
6. Rolling out an internal audit function in all the departments
7. Institutionalization and sustainability of Output-Based Budgeting
8. Engagement of political leadership at the critical junctures of budget marking process

Sector Eight: Poverty Reduction and Community Development

Introduction

There were no panel presentations in this working group – all participants have the same status and space to communicate with the group. The moderator initiated and facilitated the conversations through asking questions, and every participant on his/her turn contributed a response. The questions were about the state of play, what has worked and what should be the priorities of this cross-cutting sector – poverty reduction. The contributions and conversations in the group are organized in a thematic manner and are presented in the following paragraphs.

State of Poverty in Sindh – A Persistent Gloomy Scenario?

The moderator initiated the discussion by presenting his understanding of poverty as “living a day at a time.” Poverty has different definitions: Income Poverty; Consumption-Based Poverty; Multidimensional Poverty. Whatsoever definition of poverty you use, there are millions of poor in Sindh. However, there is a “need to redefine poverty with the changing context of technology and climate.”

The participants made the following observations about the state of poverty in Sindh:

- In the context of Sindh, when we move from one-dimensional definitions of poverty to multi-dimensional definitions, the problems become severe.
- Sindh has not fared very well. There is infrastructure deficit in Sindh. In addition to that, there is a heavy migration in Sindh that is complicating the issue. Punjab and KP have a quite improved infrastructure, which is not the case for Sindh.
- The budget has improved for pro-poor in Sindh – but it is unclear whether this has translated into improved service delivery.

- Sindh inequality is wide. The poverty is unequally distributed; there is a wide disparity across provinces and also along districts. Public Policy must account for the improper distribution of wealth and land reforms
- Sindh has household data of poverty of all districts except 4. Nineteen programs that can be called pro-poor are run by GoS (34 departments). They need centralized data.
- All statistics of poverty since the 1980s do not show any decline. The failure is all around. The floods of 2010 bring out our real face.
- Sindh cities are not growing. There are several districts in Sindh that do not have any local industry, such as Thatta and Sharkupur. There is a need to create district-based economic activities.
- ADP for Sindh 2017 -18 is 244 billion: of this, 61 billion is allocated to rural poverty, but money for the institutional framework is just a half billion.
- Most of the rural population are landless.
- We are highly biased society. We have a tax system which takes from the poor and gives to the rich, along with a land tenure system where surplus goes to the landowner. Why should we expect poverty to reduce?
- We need to take stock also – 12,000 billion rupees, which is quite a big amount. We should know how much difference it has created. This is important for any future plan of poverty reduction.
- Sindh is quite good in developing policies but not good in carrying them through. Our delivery system is not working at all.
- Trickle down has not worked from large cities to smaller adjacent cities. For

example, Thatta is 5th level on poverty incidences and it is close to Karachi, which is a least poor district in Sindh.

Let us admit our failure:

“When Pakistan was created we have 20% poverty, now it is increasing. I think we have totally failed in several sectors such as education, social development, etc., despite all intervention. We have miserably failed.”

Community-Driven Development - Organizing at UC Level to Deal with Poverty

Sindh is the first province that has organized communities across districts to deal with poverty. The government of Sindh (GoS), in 2008, launched the Union Council Based Poverty Reduction Programme (UCBPRP) in four districts of Sindh through the Rural Support Programmes (RSPs) working in the province. This was purely a GoS initiative and donors also joined this initiative later. For example, the EU contributed through “Sindh Union Council and Community Economic Strengthening Support” (SUCCESS) Programme. As of now, more than 50% of the rural population of Sindh is organized through UC-based communities.

There are three levels of organizing: neighborhood level, village level and UC level. This mechanism is not only in place, it is expanding – in 3 years the entire rural population, particularly poor, will be organized. These organizations should be part of district development. Now, there is a clear role of the intermediary organization, such as Sindh Rural Support, that can link department and these organizations. Beyond any doubt, sustaining this organization is important.

By developing these communities, GoS will have a “material mechanism” to implement any program, such as education or social development. Through

this mechanism, programs will be very cost effective with sustainable advantages. This is great that communities are organized – they need to link up with public service delivery.

One of the areas in the strategy is the creation of rural growth centers that can: a) create jobs; b) value addition to rural agro productivity; and c) create an environment which allows the private sector to participate. To me, it is a very exciting moment. In 5 districts, communities are fully organized.

The state can scale up – with one policy provision it can accomplish a lot. However, the state does not have sufficient success with villages and households. The community can deliver at the household level but cannot scale up. This means social mobilization cannot be done by any single government agency. It requires multiple sources of government and flexibility of NGOs. Social capital needs to be completed. There is a need to link the social capital with the public provision. However, there is a life of the social capital, so we must put this asset to work before it gets expired.

Community Participation

We have learned how to eradicate poverty through our 18 years of work. The lesson is: community-based institutions.

“I salute Sindh for creating a mechanism to access households a framework of gross root change; unless you have a framework...forget that you can eradicate poverty.”

Poverty Is a Multi-Disciplinary Issue – Need for Integrated Approaches

The group deliberations unequivocally acknowledged that poverty has a dependence on various sectors and there is strong need to examine poverty in a holistic manner rather in a “subject specialist” manner. The following lines provide a summary of the comments made by the participants.

- Rural development in Sindh is linked with agriculture development. In the context of Sindh, there are several small farmers. Thus, focusing on land tenure and tenancy is very important.
- Population growth is a greater challenge for poverty.
- Poverty and public expenditure are linked. How many resources are allocated to this?
- Education is a cure for poverty. PSLM data shows that if you have matric level education, your chances of being in poverty are less than 4%.
- Health, Education and Nutrition and social protection programs are drivers of poverty reduction.
- Poverty is linked to intolerance.
- Every sector contributes to poverty. Thus, public policy coherence is extremely important.

Need for Data

In Sindh, we do not have credible data about poverty, yet though there is no doubt that millions are poor. Do we know whether our programs reduce poverty? How much scalability is required? What are the programs for youth and other marginalized groups? Who are the left-outs? Improving evidence is a key to planning, evaluation and many other things. In the backdrop of improving evidence, the Secretary of Planning informed us that improving Sindh Bureau of Statistics is already on the priority list.

Suggestions to improve the situation

Planning paradigm: There is a need for change in the planning paradigm – planning at the bottom and implementation by the top. We must get away from supply-side thinking. This also includes outcome-based budgeting. In addition to that, there is a need for political acceptance at a very high level.

Opportunities mapping: There should be district-based mapping of endowments and opportunities.

Education as a strategy: Education is identified as a most important anti-poverty strategy. We need to revamp the education structure, especially TVET.

Value-added agro products: There is a need to develop value-added agro products, and we should also promote kitchen gardening.

Protecting vulnerable groups: Social protection policy is needed for poor, gender-sensitive services, and addressing specific needs to women and other disadvantaged people.

Impact evaluation is very important.

Development of secondary cities and small towns: Development of secondary cities is very critical. Similarly, there is a need for village improvement (proper housing, proper draining and walkways), stable provision of drinking water and connectivity by functional roads.

District-based growth strategy is needed.

Diversification of crops: In Sindh, there is a focus on four crops (cotton, sugarcane, rice and wheat). There is a need/opportunity for diversification of

agriculture. This will create a lot of new employment opportunities.

Promote markets: The further away you are from the center, the poorer you are. This means we have to promote markets to reduce poverty.

Community engagement: Community engagement is important for poverty reduction initiatives, but it does not work unless we have specific targets.

Infrastructure development: There is a strong need for infrastructure development. The “brain drain” from small cities is due to lack of infrastructure.

Assets: Create assets at the lowest level.

Focus and Design Challenges

In the group’s discussion, there were some important pointers for lack of sharp focus and ability to integrate previous learning in the design of future pro-poor programs. Some challenges to existing approaches were very strong, such as: “Is there one thing on which are we proud over the last 70 years? Maybe we have to reconsider our approach.” Another voice of skepticism was that “we were not capable of doing the job...we have to do something different.” Other related comments that can help either understanding current challenges with the approach or design of the future programs are presented below:

- Our experience suggests that trickle down and bottom-up planning are useful in creating development impact.
- The growth strategy is critical for poverty reduction; learning from KP can be used for rural growth centers.
- We are captured by our programmatic approach. We need a strategy to address the issue. We must work on how to

improve the things – we need restructuring.

- Where do we need to focus? Technical and vocational education?
- Our experience suggests that women are now being recognized as a contributor to the economy, and women need an enabling environment to function.
- There is also a need to have more inclusive focus – all ethnic groups, youth and other left-outs.
- We need to have a very targeted approach. So far, we have had disjointed efforts and efforts in different directions.
- We need both macro and micro interventions and should be mindful of “urban poverty.” Research shows that the incidence of urban poverty is higher than the rural areas. In the past, we have mostly interventions focused on rural areas.
- Education accounts for 27 % of the provincial budget. Is it a right kind of investment? The quality of investment must be improved.
- Institutional challenges of CSOs and RSOs: how to redesign programs? How to monitor programs?
- Development of small towns is very important, particularly in the context of immigration.
- The resources are limited and with limited resources, you cannot focus on all villages. Focusing on all villages will mean wasting resources.

What does not work?

“How not to eradicate poverty? Create community institutions but do not let them participate; stop learning and apply popular theories from other contexts.”

“We need to have the catalytic interventions – we should not think that social mobilization will work without any targets.”

“Midterm evaluations do not inform the rest of the program, and end-term evaluations are not read even.”

The Private Sector Has an Important Role

The private sector has an important role in addressing the issue of poverty. Public funds have many constraints such as audits. How can we create entrepreneurs when the potential entrepreneur does not have access to finance? There is a need for private sector interventions to promote social entrepreneurship in the province.

Positive Follow-Up Actions Are Needed (Despite Suspicions)

Towards the close of the discussion, an old statistical joke was cracked to indicate how can we play with concepts. The joke was something like this: if I put your head on fire and your foot on the ice, on average you are fine.

Some suspicions were more direct: Do we really want to improve the situation? What has been our record on this? Will any deliberation go beyond the forthcoming elections? The moderator asserted that whenever there is a strong rationale, GoS buys in.

Synthesis of the Working Group Discussion

The synthesis of the working group resulted in the identification of priorities and strategies and was presented in the plenary session.

Key Priority Areas

Box 19

Key Priority Areas: Poverty Reduction and Community Development

1. **Increase income – reduce the avoidable expenditures**
 - Good quality of education, health, nutrition and WASH services should be the key areas for reducing poverty – a better integration of these elements is important to achieve common objective
2. **Household focus**
 - Women, youth and marginalized groups
3. **Building on social capital**
 - Existing community organizations, e.g., UCBPRP, and their integration with other sectors
4. **Institutional mechanism and integration**
 - Relationship between line departments and districts
5. **Employment and growth opportunities**

Box 20

Collaborative Strategies: Poverty Reduction and Community Development

- **Scaling of existing programs:**
 - Strategies and implementation plans
- **Working with the private sector:**
 - Private sector investment strategies and benefits/outcomes based on indicators upon disaggregated terms
- **Institutional development and implementation arrangements**
- **Database management:**
 - Monitoring and evaluation
- **Service hubs/growth centers:**
 - Urban cluster
 - Village improvement
 - Clean drinking water/sanitation
 - Kitchen gardening
- **Connectivity of roads for commuting**
 - Engagement of resources and platforms

Sector Nine: Water, Sanitation, and Municipal Services

Introduction

Water and Sanitation is a very important sector identified for deliberations in the Sindh Development Forum (SDF). There are several important actors that play their roles in the sector. To illustrate, the Planning & Development Department (P&DD) provides financing and approves WASH projects. The Public Health Engineering & Rural Development Department and Local Government Department are the key service providers along with their role in policy formulation.

The moderator, after personal introduction, provided an overview of the session and then invited a brief introduction from each participant. This was followed by panel presentations and group discussion. In the following paragraphs, the deliberations in the group have been presented thematically.

Sector Description – State of Play

- Sindh has increased realization about WASH. There is a lot of energy for policies and plans, and there are planning successes also. However, measuring progress on plans and accountability is quite a challenge. We kept developing and shelving policies for a long time.
- WASH is in everything—it is a multi-sector business. Thus, there is a need to develop an integrated business case.
- There are missing links, lack of coordination and ambiguity of roles that present a lot of challenges.
- In Sindh, pipe water supply is 8.1%, leakage in urban pipe supply is .58% and quality of water is problematic. Safe water is going to be a dream without actionable plans. Safe water should be made mandatory.
- Sanitation is the most ignored area in Sindh. Sanitation requires 15 times more resources as compared to the water supply. It is a real monster. There have been little efforts to improve sanitation in Sindh. The studies indicate that poverty, water quality, rural development and level of income are related to sanitation. This means sanitation at the root of several development indicators, and we need to develop a good/mega plan for it.
- To improve sanitation conditions, GoS has created another department: Solid Waste Management. The Sindh waste mandate is to tackle all kinds of waste. Currently, Solid Waste Management is responsible for four districts of Karachi. SWM has outsourced the job to a Chinese company.
- To deal with waste effectively, it is important that we separate the waste at the household level. GoS has also taken initiatives to treat medical, municipal and industrial waste.
- In Sindh capacity at all levels is an issue, including technical capacity.
- Underground water has been good a good source of drinking water in Sindh. However, with industrialization and increased population, the drinkable water has largely been rendered undrinkable. Now, there are certain contaminants detected in the underground water.
- Reverse Osmosis (RO) plants (more than 1800) have been installed where there is no other source of water.
- Karachi has an acute water problem. For the water supply in Karachi, some pumping stations were installed in Dhabeji and then the city relied on Keenjhar Lake and Hub Dam. This is not enough and now we have

planned K-4. The first phase of K-4 will be completed in a year and a half.

- Keenjhar may be dried up. We are discussing with development partners for desalination of sea water.
- Treatment Plants: Out of four treatment plants, one is abandoned and two are under repair. We are looking for partners to help GoS on this.
- The community is not involved.
- The major part of Sindh (83%) falls in the brackish (saline) water zone. Larkana, Sharkpur and some parts of Nosharu Feroz are in the sweet water zone.
- We have invested much more than was required but in a wrong way – let's do it in the right way this time. Uganda is using some modern technologies such as solar pumps. Sindh may also employ similar technologies for water management.

Looking at the Situation through an Opportunity Lens

We have spent a lot on water, but we do not have satisfactory results – service delivery is very poor. Though there is no success so far, we have opportunities. SDG is an opportunity; we can work hard for meeting the targets. GoS is committed to realizing the SDGs and has created a specialized unit for this. Prioritizing of SDGs has been approved, and water is one of those high priority goals. Having a judicial commission for water is also a positive push.

On a technical level, Sindh has enough land and a long day of sunshine, which means that a low-cost water treatment is possible. Sindh has done many things that no other province dares to do. For example, Sindh has involved ENGRO in a huge energy project, which another province may not have done. Let's not be a pessimist – things can improve.

Water Is Precious, but Available at a Very Low Price

Water pricing is a big issue worldwide and it's very unpopular, but at the same time, the issue is central to water conservation and water development. There are various dimensions of the issue, ranging from public mindset to the political will. Some practical concerns were also raised about who should be deciding about tariffs. The following paragraphs provide representative comments about the issue.

- Water is a precious commodity, but no one is willing to pay. Even water for agriculture is very cheap.
- The government spends billions on WASH but is still reluctant in fixing a reasonable price for water.
- Sindh must give a hard look to this issue and should gradually move to better pricing, perhaps by establishing an awareness campaign and developing an ethos of water as a precious commodity.
- We must look into the political economy of water and sanitation. A formative study by USAID in Jacobabad city estimated that people spend cumulatively 650,000 USD per month for drinking water, while the operations and management cost for the water supply is 200,000 USD per month, which is one-third of the out of pocket expenses for drinking water.
- We have to change the mindset of the people. They do not want to pay the government while they can pay to private companies.
- Pricing must be decided by local governments, as the price is different at different places. Currently, in Jacobabad people are paying PKR 500 per month, while in Sukkur the cost is PKR 30 per month and in Thatta it's only PKR 20 per month. The politicians do not want to increase the price of water.

- In Karachi water comes after traveling 150 km and three times pumping. For one pumping station, the electricity bill is 6 million per month

Stakeholders' Participation Is Important

Two important actors are not here: Public Health Engineering Department (change of secretaries is very frequent) and Karachi Water and Sewerage Board.

The water issue is important also because of the intervention of the Supreme Court, which in a way is creating a lot of pressure and haste that is not good.

Sanitation

Generally, we think that wastewater can go everywhere. This is totally wrong. The sewage treatment is a priority, as untreated water is a major water pollutant. Currently, we are putting untreated water upstream and while downstream people are using the same water.

- Sanitation requires 15 times more resources as compared to the water supply – sanitation is a monster. More investment is needed for sanitation.
- At several places, sewerage lines are passing through the same area, and drinking water pumps are sucking sewage water along with drinkable water.
- Education and campaigning to the end user is also very critical. Without that, no progress will be made.
- UNICEF is implementing a small project in two societies of Hyderabad. Under this project, waste is segregated and recyclable items are sold. In the process, compost is also developed. Some fee is also charged, which is used for management cost. The project has a business continuity plan. So far, no energy is being generated from the waste.

Water and Civilization

“We can't live without water. Any civilization which has a good mechanism for storing, keeping clean water sustains.”

Need for Studies/Data

We need surveys about how much water is needed for households and other organizations. These surveys can be done by students. Without this data, no meaningful plans can be developed and implemented.

Using Water Efficiently

Sustainable water sources are an obvious challenge; we may have less water available in the future. Sindh is at the end of Indus River, thus, less water is available. The agriculture sector is heavily linked with the water sector – 95% of water is used for agriculture/irrigation. Karachi is competing for water with irrigation. Water sources are the responsibility of agriculture department. The common crops of Sindh are rice, sugarcane, and wheat. These crops entail big consumption of water. If we upgrade our agriculture and use water efficiently, we can release some water. We need to take good measures for reducing agriculture water consumption and improving agro production and value chains.

Conserving water: The mega drainage project of Left Bank Outfall Drain (LBOD) that was initiated to address salinity and waterlogging has its own hazards. Now, our lands are becoming more saline. For saline lands, we need to use 6 times more water because water is used first to neutralize salts and then for growing. If we get rid of saline soils, then more water is available.

Population and Environmental Perspectives

The population is growing. This has several implications, such as an increase in industrial waste and other wastes. A growing population means that more food is required, which means more water will be consumed, leaving less water to drink. This means that water policy focusing on water only will not be enough.

In the same vein, climate changes and disasters such as floods and droughts have implications for the available water (sometimes it is abundant and sometimes it is scarce) both for agriculture and household usages. Thus, we should see the issue from multiple perspectives, such as population and environment perspectives. This emphasizes that coordination among sectors is very important.

Need for Economic Evaluation

We need an economic evaluation of Sindh for which funds may be possible. People are paying 18 million per year for water. Similarly, people are paying for K-Electric. There are several sources in Sindh that have a lot of potential to generate money – solid waste is just one example. The economic evaluation will guide us on what sources of funds can be tapped and for what purposes. The economic evaluation can identify the best course of actions for the province.

SDG Unit as Think Tank

In the fast-changing and complex world, several countries in the world have Think Tanks that advise the governments. For example, there are 6 think tanks in South Korea that advise the government on all matters.

In the context of Sindh, an SDG unit has already been created in the Planning Department. This unit can act as a think tank for GoS.

Implementation Challenges

Implementation challenges keep coming up in the discussion. The following statements highlight different aspects of the implementation challenge.

- There is a lot of institutional inefficiency involved in the current state of play related to water and sanitation. There is no tracking and accountability of schemes and projects. Strengthening the monitoring system is one of the priorities.
- We have several rules to deal with different issues, but the implementation is a major issue.
- We are not lacking in planning, but with the political system elected people are the rulers, and technical people have to follow politicians. If we had had the right politicians, we would have been in a better position of giving loans rather than begging for funds if our implementation has been strong.
- The crux of the implementation puzzle is to empower local government and establish accountability. The accountability should be explicit and without any fail. Our issue is that we do not have the capacity, and there is no accountability.
- Our development policy is directive driven, not rooted technically. That is why we have so many gaps when we come to implementation.
- For GoS to execute any intervention, a standard reporting mechanism is needed. Good intentions alone will not work unless there are measurable targets and accountability is attached. Key performance indicators need to be developed for accountability. Let's be candid – accountability for stolen money is also important.
- Some arrangements are also needed regarding how we develop plans: a) the feedback mechanism must be robust; and b) service delivery must be enhanced.

- The WASH agenda is bigger than from one sector. The sector needs a lot of coordination and strengthening of inter-sectoral and intra- sectoral linkages.
- We haven't talked about equitable financing.

Need for a Regulator

A regulator for the sector is one BIG recommendation. The responsibilities of the regulator may include the following: developing standards; promoting inter-department coordination; ensuring quality; monitoring and evaluating programs; and deciding about tariffs, etc. The monitoring should employ ICT, as Pakistan is good in the use of technology. Sindh has some success in the use of technology in monitoring, such as with the ILMI program in education. The monitor should use a stick and carrot approach and ensure that no scheme fails. The Water Commission is a temporary regulator. Who will be an ongoing regulatory body? Will it be the local government or another agency, and what will its level of autonomy be? These questions were put forward for conversation. One suggestion was: a regulator should be independent – no provincial or local government. Developing the capacity of local government is a 10 to 20-year agenda. is 10/20 years agenda. ...workable regulator should be independent

Roles Confusion and Dichotomy of Power

Currently, confusion and lack of ownership are serious issues. Not all stakeholders have the full picture – most of the stakeholders only have bits and pieces of the whole picture. The issue of confusion also links with the need for more coordination. The right amount of capacity is also needed for coordination. Some departments have technical capacity but cannot engage with the community. We have sector plan but where are we in implementation? Where are the regulatory

bodies? We already are a water-stressed country, and we are going to be a water-scared country.

This issue was taken up time and again in the discussion, sometimes using different labels. For instance, the discussion around the regulator also linked to roles confusion and issues of authority. The following statements represent comments and contributions of the participants related to the theme.

- Roles have to be clarified as everybody is confused and it is urgent matter ... the political context need also to be enabling
- Devolution coupled with capacity building is a solution.
- The provincial government builds schemes and dumps them on local government. PC –one is not being developed by the local government. There is no accountability for bad design ... funding has to be routed to the local government.
- The Secretary (local government) insisted that there is no duplication of roles. In Karachi and Hyderabad, there is no issue of role clarity. The only issue is that of implementation and also that schemes are developed in isolation.
- Local government is not a department – it's a constitutional entity. The law is clear that supply of water is the responsibility of local government. In this context, where does Public Health Engineering (PHE) stand? PHE was part of the local government earlier. By law, the local government is responsible for water and sanitation (constitutional rule). The provincial department has only authority through rules of business.
- The provincial government is related to overall performance (standard setting) and has an overseeing role, while the local government has the implementation role. The provincial government can intervene at any time.

- What are the resources of the local government? The local government depends largely on the provincial government's resources. The local government should be provided finances according to the law, and they should be made accountable. If small funds are given to the local government, those funds are misused (secretary, local government).
- As the price is different at different places, pricing must be decided by the local governments.
- The local government should delegate to CBOs, etc. The local government should adhere to its vision and approve the work plan of CBOs to ensure that they do not fall apart.

River Basin-Based Strategy

"I will stress Indus River basin-based water management; otherwise, you will lose the bigger picture."

Synthesis of the Working Group Discussion

The synthesis of the working group resulted in the identification of priorities and strategies and was presented in the plenary session.

Key Priority Areas

Box 21

Key Priority Areas: Water, Sanitation and Municipal Services

1. Improved evidence generation with quality and real time data.
2. Institutional reform that includes clarity and roles and responsibilities of various public sector actors in WASH services.
3. Strengthening of LG councils for improved WASH service delivery with adequate financial resources and technical capacity building with accountability.
4. Establishment of a robust M&E system which should not be limited to input, process and output indicators but beyond that for outcome and impact key performance indicators.
5. Coordination and linkages within multiple sectors and the development partners for multi-sectoral interventions to be strengthened.

Collaborative Strategies

Box 22

Overall Goal: Water, Sanitation and Municipal Services

- 24x7, on-premises, affordable water
- Safely managed sanitation (drainage and disposal), including HW facilities

In order to achieve the above-identified broader goal, the following specific strategies have been identified:

Box 23

Collaborative Strategies: Water Sanitation and Municipal Services

- Political will: Clarity in institutional roles and responsibilities
- Overarching: Cross-sectoral collaboration (WRM, Agriculture, Nutrition, Poverty), economic valuation – leading to tariff rationalization
- Reporting: M&E, accountability
- RWS: 24x7, safe, metered, charge at current expenditure
- RS: ODF + drainage + agricultural application
- UWS: Non-revenue water, WTPs, extension of network
- US: Water treatment plants, SWM, local treatment (oxidation ponds)

Appendices

Appendices can be found at following link:

<https://drive.google.com/file/d/15oMNOJsgTlzVVmscnYmpNNoKFAfYn8Ng/view?usp=sharing>