

SECTION C - PROJECT DESCRIPTION

C.1 TITLE OF ACTIVITY

Water Governance for Sindh (WGS) Project.

C.2 BACKGROUND

In 2010, USAID/Pakistan entered into a partnership with the Government of Sindh (GoS) to improve provision of basic municipal services. Beginning in 2014, USAID/Pakistan financed the Municipal Services Program-Sindh (MSP-S) in Jacobabad City, capital of the Jacobabad District in Northern Sindh. MSP-S had three components: (1) water and sanitation infrastructure upgrades; (2) civic engagement for inclusive governance; and (3) establishment of management information systems. As a result of the infrastructure upgrades, which include household connections for all of the estimated 35,000 households in Jacobabad, approximately 350,000 citizens now have improved access to safely managed drinking water in their homes. As this component of the MSP program nears completion, USAID is looking for procurement of services to improve wastewater, effluent and solid waste management for Jacobabad.

Existing USAID intervention and Sindh Government Partnership: A summary of direct financial support from USAID and from GoS for Jacobabad's drinking water system is shown below:

- Support to Program Management Unit (PMU) in Karachi/Project Support Unit (PSU) in Jacobabad for contracting for construction (to date):
- USAID Support for Architecture and Engineering contract for design and oversight of construction in Jacobabad
- USAID Support for Civic Engagement/Community Mobilization
- GoS Support to Municipal Committee Jacobabad

Governance Challenges in Jacobabad MSP: The overall MSP-S project implementation has encountered a shifting political landscape in terms of local governance. There have been several failed efforts at reform in water and sanitation service delivery in Sindh, and the sector has suffered from lack of institutional clarity on roles and responsibilities. However, after several decisions that moved the authority to manage municipal services in Jacobabad from one body to another, the Chief Minister, on advice from USAID and other stakeholders, has made Municipal Committee Jacobabad (MCJ) the main government body that will manage and supply services to the residents of Jacobabad city.

Ownership and Sustainability: Issues with the poor quality of municipal services in Jacobabad and other Sindh municipalities are not only technical or infrastructure-related. They are also the result of the municipalities' lack of accountability to the public and lack of engagement on the part of citizens. Historically, provision of municipal water has been provided virtually free of charge, with no consequences for non-payment. This creates a vicious cycle of low revenues, lack of investment in the utility, and poor water service for which people are unwilling to pay. The municipality is also limited in its ability to set tariffs above a set ceiling. Even if the documented operational costs are above this ceiling, the province must approve the proposed new tariff. Add to that the unwillingness of politicians to be associated with a rate hike for water, and the conditions become financially unsustainable for the municipality.

Cognizant of USAID's significant investment in infrastructure in Jacobabad (water supply and a new hospital), the Provincial Government of Sindh has approved a monthly grant of 15 Million PKR

(approximately \$1.2 Million per annum) to the Municipal Committee Jacobabad. While the Municipal Committee Jacobabad has a staff of 800 people, they are mostly sanitation workers, not technical staff. The new water system will require significant systems and technical capacity building to support sustainable service delivery.

RELATIONSHIP TO SPECIAL OBJECTIVE 1 PROJECT APPRAISAL DOCUMENT

This Project includes activities contributing to improved Special Objective 1: Strengthened Global Health Security Capacities in Pakistan. In line with USAID/Pakistan's Country Development Cooperation Strategy (CDCS), the project aims to focus on the implementation of the 2019 United States Global Health Security Strategy¹ and the Global Health Security Agenda (GHSA)², by preventing, detecting, and responding to infectious disease threats in Pakistan. Under SpO 1, this project will support IR (SpIR) 1.1: Infectious disease prevention and detection improved. The WGS project in Jacobabad and Sindh will support Sub-SpIR 1.1.2: Water supply and sanitation improved.

The project scope for Sindh may cover other activities under this Sub-SpIR, as described in the SpO PAD. However for Jacobabad the following elements of Sub-SpIR 1.1.2: 'Water supply and sanitation improved', would be applicable:

- Work in close coordination with the provincial and local governments, for strengthening municipal services capacity.
- Assist communities by the transfer of knowledge on how to avail services along with sustainable behaviour change.
- Improve the solid waste collection, transportation, and management system.
- Support WASH activities to promote access to safe water and sanitation, as it is critical for disease prevention.

PROGRAM DESCRIPTION, OBJECTIVES, AND PROPOSED INTERVENTIONS

This SOW is designed to provide technical assistance and a wide range of practical capacity building activities to the Municipal Committee Jacobabad and other stakeholders, to increase the ability to deliver clean drinking water, manage waste water and solid waste management services for the people of Jacobabad. The recipient will work with the Municipal Committee Jacobabad and civil society to build human and institutional capacity to improve the operations, maintenance and repair of the water and solid waste system. Capacity building approaches will be customized based on both needs and context analysis, and implemented as an integrated process, in close coordination with the construction effort by USG/GoS.

The project has a period of performance for three years and will be funded up to \$3M (subject to availability of funds). The recipient is expected to execute activities that contribute to four outcomes by the end of the 3-year project:

1. Monitoring to ensure all homes are connected to the main water drainage sewage system to treatment plants to main effluent drainage canal from where water will flow to main effluent drainage; Ensure water quality testing at key touch points (household level, pre/post treatment at filtration plant etc.) up to requirement;
2. Capacity of Municipal Committee Jacobabad is strengthened to ensure maintenance of water delivery and drainage system. GoS and Municipal Committee Jacobabad employees trained and able to manage solid waste;

¹ United States Government Global Health Security Strategy. 2019. Internet: <https://www.whitehouse.gov/wp-content/uploads/2019/05/GHSS.pdf>

² Global Health Security Agenda. Internet: <https://ghsagenda.org/>

3. There is increased transparency, oversight and accountability of water drainage maintenance and its integration with the existing water service delivery system;
4. Strengthened ability of the Government of Sindh and development partners to understand, scale and replicate successful approaches to water management services in other cities of Sindh.

The above outcomes shall be measured through these targets:

- Ensuring water delivery and drainage for the households connected to the filtration plant and to the wastewater treatment plant as a result of USG assistance are delivering quality service to the citizens. (Indicators should reflect regularity, quality, % of HH served, customer satisfaction, and complaint mechanism).
- The City of Jacobabad has a functioning solid waste management system in place with institutional know-how and capacity. (Indicators should reflect regularity, quality, % of HH served, customer satisfaction, and complaint mechanism)
- Citizens of Jacobabad understand the importance of WASH and disease prevention, the linkage of WASH to the municipal project and how to interface with the municipality for service delivery. (Indicators should reflect, % of HH trained and adapted to new behaviors)
- Citizen's understanding should be reflected through behavior change as well as through willingness to pay for all the municipal services. (Indicators should reflect, % of HH with connection paying for service, rupees collection as a % of total billing).
- In addition to the USAID standard indicators, other indicators as appropriate and reflective of progress in building institutional capacity, information systems and business models for sustainability of operation should be proposed by the recipient.
- USAID standard indicators along with suggested project indicators would be as follows:
 - Number of people gaining access to basic drinking water services as a result of USG assistance;
 - Number of people gaining access to a basic sanitation service as a result of USG assistance
 - Number of Households connected and receiving water as a percentage of planned and total Household (HH coverage for Jacobabad city);
 - Number of customers paying versus receiving service;
 - Percentage of revenue collection to billing
 - Number of people adopting WASH practices

Target groups of the WGS activity include:

- Executive management, technical and financial managers within local government and in particular those responsible for budgeting, water tariff proposal development; and tracking funding and revenues for integrated water and waste management system
- The Municipal Committee Jacobabad staff directly responsible for supervision of the water utility operations; budget and finances; non-revenue management; accounting and financial management; consumer relations; and water source protection
- Mayor, members of the Local Council, and the Neighborhood WASH Committees, both men and women
- Current and future households benefiting from water supply and sanitation services Special efforts must be made to strengthen the existing forums of participation which include women and other vulnerable populations in the target groups.

Building on prior and current work in Sindh, the recipient will work with municipal staff and the community to develop a functioning water and waste system which is managed by a self-reliant

Municipal Committee Jacobabad and has customer support and willingness to pay. Level of expected effort for the project would be:

- Component 1: Building capacities of Municipal Committee Jacobabad 55% of effort
- Component 2: Field Management and Community Mobilization 40% of effort
- Component 3: Documentation and dissemination 5% of effort

The three Components and their related tasks and results are described below:

Component 1: Building capacities of Municipal Committee Jacobabad

The objective of this component is to improve the capacity of the Municipal Committee Jacobabad (MCJ) to manage, operate, maintain and repair the water, drainage and solid waste management systems to ensure smooth functioning of the entire infrastructure. This would include technical capacity to manage the system as well as management systems and processes that would allow sustainable and self-reliant operations for MCJ beyond the life of the project. The task areas include:

- Close coordination with the PMU and construction components to Ensure completed connections are functioning up to standard and with needed efficiency, so that customer confidence in MCJ is high and therefore complementing community behavior change and financial sustainability for the municipality.
- Work with MCJ, the provincial and local government and any other partners such as the electric utilities or water drainage to ensure that operational partners are aligned with the functioning of the overall system. Where appropriate, formalize roles, responsibilities and processes between institutions through documented agreements.
- Technical Capacity Building: for MCJ staff may include (but not limited to): Operations and water pressure management, routine maintenance and repairs throughout all portions of the water system, filtration and treatment plant operation, water chemistry/laboratory capacity, establish water treatment process controls. The recipient will work with the MCJ staff and other partners to identify specific technical needs and upgrade them in order to enable MCJ to become a self-reliant and sustainable government organization.
- Business Sustainability: This would include two components: 1) SOPs, manuals, business, HR and operational plans, supply chain management, a transparent and effective method for bill collection along with tracking of non-revenue accounts. 2) Developing a customer services and community engagement team (discussed in component 2).
- Document bureaucratic or policy issues that require reforms to improve efficiency and quality of water services. Propose utility benchmarks related to service efficiency and quality for the municipality to track performance over time.
- Promote private sector involvement in close coordination with the Public Private Partnership (PPP) node of the Sindh government. Engagement may involve any private sector role that furthers objectives as given in the SpO1.

Implementation under this component will support the following desired results:

1. Management, technical and operational staff with increased capacity to perform and provide sustainable water and waste management services over time
2. Standards and key performance indicators for water service and waste management provision adopted and tracked
3. Increased coverage of water supply/drainage and solid waste management in Jacobabad

Component 2: Field Management and Community Mobilization

The objective of this component is to improve the sustainability and efficiency of the water and waste service, and the commercial operations related to customer outreach and revenues. This will involve building customer service teams within MCJ with a community focus, working alongside community groups formed for WASH activities and other community groups. Task areas for this component may include:

- Community Mobilization: Awareness about WASH and its relationship to diseases. Build on existing community groups formed through previous USAID programs to extend WASH coverage to all districts of Jacobabad. Training Materials and IED must link the themes of WASH, its role and relationship with disease prevention and its practical application in the form of service delivery of water and waste management through the larger MSP-S project.
- In addition to the technical capacities discussed in the previous component, assist and involve the Engagement/Customer Satisfaction unit staff with the WASH groups for activities such as expanding outreach or developing and implementing Customer Satisfaction scorecards in collaboration with the community.
- Technical assistance to MCJ staff for developing an information system for tracking water service performance and sustainability, monitoring and benchmarking systems. MCJ should also develop a plan for testing water quality at relevant touch points. Community should be well versed in understanding the basics of water quality they are to consume. Customers understanding water quality reports as part of community groups is vital in building customer confidence and trust in the municipal services.
- In collaboration with the community and MCJ staff, develop complaint and redressal mechanisms to ensure accountability and community ownership. Perspectives around service utilization, access to the service, and associated issues must reflect views from women and men separately. Ensure the community understands how all the physical mechanics of the system works and how it links and integrates with WASH objectives.
- Develop a Water Safety Plan in collaboration with the community to address and inform current and future threats to the municipality's water quantity and quality, including an Emergency Response Plan for drought or flooding.
- Behaviour Change is an integral part of the overall sustainability of the project and the municipality itself. Community needs to not only understand the importance of a managed clean waste and waste service but must be willing to take ownership and pay for the service. The Recipient and MCJ staff, during WASH and other community sessions, must explain and emphasise the importance of billing and payment, and how it works to serve the community. The goal of the municipality is the provision of good quality, affordable services over the long term. Both the municipality and the public must understand their respective contributions and roles and have the appropriate channels to fulfill that role.

Implementation under this component will support the following desired results:

1. Community/customers have complete understanding of the water delivery and waste management mechanism, including accessible channels for complaints and redressals and emergency responses.
2. Community/customers are paying for service (target %).
3. Community groups are spreading awareness for disease prevention and its linkages to MCJ services. Community groups are working with MCJ staff to enhance registration for service and to support bill collection.
4. MCJ technical and field teams have the tools and understanding to deliver efficient service to the community and MCJ has the systems and benchmarks to track performance.

5. A Customer Satisfaction scorecard developed and implemented (baseline and endline at a minimum)

Component 3: Documentation

In line with the USAID Learning Agenda, the WGS project will serve as a model that the Government of Sindh could then scale up for other cities in the Province. An important part of this activity will be documenting the process of improving the management and operations of the water and solid waste management system in the city.

Implementation under this component will support the development of a set of modules documenting the processes adopted to build the capacity for management and operations, describing activities, materials, staffing plan and budget, for potential scale-up in other municipalities where water and sanitation infrastructure investments are planned or are being undertaken.

DELIVERABLES

Based on project requirement and scope a minimum of the following deliverables are expected from the offeror:

1. Baseline & Capacity Assessment Report due 4 weeks after the start of agreement. Report will identify areas for technical assistance in line with all the task areas given in the project scope. Report will also provide a baseline assessment of where the Municipality stands as a going concern in terms of financial feasibility, operational and information systems, management and political relationships. The Report will form the basis of the Recipient's initial work-plan.
2. Work-Plan to be delivered within 2 month from the start of project and at the start of each year, for approval. The Plan will articulate the steps needed to achieve the task area objectives highlighted in the components given above and as informed by the Capacity Assessment Report. The work-plan, while integrated, will address each of the 3 components in the scope in detail. Capacity building plans and community engagement planning must be clearly articulated. Milestones and timelines should be part of the work-plan as well as MEL, Gender Analysis for the project and a Gender Action Plan.
3. Documentation such as revenue/billing collection models, business, management and HR plans, revenue strategy, outreach plans and community engagement plans. This may include sharing specific documents such as water safety plans, customer satisfaction scorecards, lab reports, billing numbers, agreements with partners or other provincial offices - documents related to achieving project objectives. The Recipient will share documents and plans as they become available in line with the work-plan.
4. Weekly, monthly and quarterly progress reports as agreed upon with the AOR at the approval of the work-plan.

MONITORING, EVALUATION AND LEARNING

The offeror is expected to submit an illustrative monitoring, evaluation, and learning (MEL) plan that shall fully articulate and describe how this project, over the course of 36 months, shall be monitored and evaluated. The MEL Plan would include milestones, inputs / outputs, and outcomes and form the basis of the USAID/Pakistan management, monitoring, tracking, assessing, and implementing of this project.

The MEL plan will work closely with the overall MSP project in Jacobabad and will synchronize its monitoring efforts with those of the construction components. The project would engage community feedback as part of monitoring, thus complimenting the construction component by adding more details and nuance to what USG is holistically delivering to GoS for its community.

MEL plans from the Special Objective 1 Project Appraisal Document will serve as a guide for the WGS project. Implementation of the MEL Plan will need to be adaptive as interventions learn from the context of Northern Sindh, and Jacobabad in particular.

The monitoring plan should cover deliverables, milestones, intended outputs and higher level outcomes and cover both the operations and maintenance components and system of this project and also the community engagement activities. MEL should strengthen the effectiveness and impact of MSP-S through implementation of its existing Monitoring and Evaluation Plan and further disseminate knowledge on sanitation and hygiene.

GENDER ANALYSIS & CONSIDERATIONS

Women's roles in household decision making in North Sindh are limited and inequality is significant when it comes to access and use of resources, including water and sanitation facilities. Women and girls trek long distances, for example, to fetch water to meet their families' basic needs. The time demands are enormous and put an extra burden on women and girls. Improved access to clean and safe water, solid waste and waste water management systems, put in place through this project's intervention, will have multiple beneficial impacts on women's daily life. In addition to saving time by having clean water available in their homes, efficient disposal of solid and water waste from homes will help reduce incidences of disease spread. With fewer incidents of sickness, the project may also contribute to reducing the time women have to spend providing care for the sick children and household members, who are prone to illness due to contamination in open water and germs from exposed solid waste.

The Offeror is expected to undertake a detailed activity specific Gender Analysis for the project and generate a Gender Action Plan which must include concrete measures to address the gender inequalities and gaps as highlighted by the Gender Analysis. The Offeror is expected to design specific measures into the project to include the opinions and voices of women. The project will ensure that relevant engagement channels for women are available and functioning with the Municipality, and ensure that MCJ understands and integrates within its working a gender sensitive approach to the overall municipal service it provides to the community.

The MEL plan should include the following components as part of gender integration:

1. Conduct Gender Analyses at the outset to establish baseline;
2. Collecting and reporting of sex-disaggregated data for all people level indicators;
3. Developing performance and context indicators to track changes in key gender gaps from baseline to end-of-activity results;
4. Applying mixed methods (qualitative and quantitative) to gather and analyze relevant gender sensitive data;
5. Tangible plans for integrating gender considerations into MCJ's service delivery and clear women engagement and access to service plans

(End of Attachment B)