Narrowing the gap between formal & informal sectors
and optimizing allocation of roles and responsibilities

based on discussion around the three models currently working in Faisalabad

**Introduction**

The Water and Sanitation Program-South Asia (WSP-SA) has been facilitating a consultative process for policy development at the federal and provincial levels in Pakistan. As part of this process, a round table discussion on operational issues in “one million-plus” cities of the Punjab was held on March 18-19, 1999 in Faisalabad. The workshop was held in collaboration with a donor assisted project, the Faisalabad Area Upgrading Project (FAUP) and an NGO, Anjuman Samaji Behbood (ASB), Faisalabad. The round table was a sequel to a series of stakeholder meetings held at both the national and provincial levels. The first of these meetings was at the national level, held in Islamabad in March 1998 and involved a range of stakeholders. Two additional meetings were held in Peshawar and Karachi, in November and December 1998 respectively, and were attended primarily by stakeholders active at the provincial level. All four meetings were to identify operational problems as well as policy issues, with the objective of helping policy-makers to make informed decisions.

The participants of the Faisalabad round table included representatives from the management cadre of line agencies such as the Water and Sanitation Agencies (WASAs) and municipal corporations in the million-plus cities of Punjab. Representatives of non-governmental organizations (NGOs) and community based organizations (CBOs) active in this field also participated in the round table.

**Objectives of the round table were:**

- To ensure that the ground realities, particularly operational and maintenance issues, of working at the city and ward level inform the process for the formulation of a new policy for delivery of urban services.
- Sharing the issues faced by existing actors in “one million plus” cities in the delivery of basic urban services.
- Review the scope and potential of a working policy environment in addressing these issues.

**Results**

- There was consensus on allocation of roles and responsibilities for various actors involved in a participatory approach for the development of water and sanitation services to cities.
- It was decided that a committee would be formed to look into areas where consensus was not reached by the participants in the given time; and to put forward policy recommendations.
Summing Up

In his summing up the Vice-Chairman, Water and Sanitation Agency (WASA) Faisalabad and Member Punjab Provincial Assembly, Mr. Rana Mohammed Afzal Khan thanked the participants. He pointed out that by the year 2020 Pakistan’s population will double, consequently, water and sanitation problems in cities will increase tenfold. It is imperative that these problems are tackled and gaps in perception of issues between actors in this sector are narrowed as soon as possible. WASAs must also increase their efficiency and revenue collection. The Punjab Government is cognizant of this and giving top priority to governance issues, a vital prerequisite for increased efficiencies in service delivery.

Mr. Afzal Khan promised that once the committee had finalized its recommendations and shown them to the city agencies, he would personally take up the matter with the Government of Punjab so that necessary legislation could be enacted.

Policy Recommendations

Following the presentations on the first day, discussions on the three existing models were taken a step further on the second day when working groups were formed to deliberate on formulation of policy for extension of water and sanitation services, given the current financial constraints faced by concerned public sector agencies. A consensus model was developed for allocation of roles and responsibilities. It was agreed that household and lane development work should be based on a participatory approach. As the household and lane development would connect into existing secondary systems laid by municipal agencies, the linking of the two systems raised several issues where consensus was not reached in the given time, and it was decided to form a committee to look into these issues. Specifically the committee would evolve an agreement on appropriate standards, tariff rationalization, OSM, procedural and legislative changes.

Significance of Large Cities in Pakistan’s Urban Socio-Economic Map

Reza Ali — Consultant

Cities in Pakistan are increasing in size and number, as are their problems. Independence in 1947 and the influx of Muslim refugees from India accelerated the process of urban growth. Almost one-third of the country’s population (42 million) lives in urban areas. Of this, nearly 21 million people live in cities with over a million inhabitants. Today the population of Lahore alone exceeds the total urban population of Pakistan at Independence. In Punjab, 47% of the urban population lives in the 5 large cities of Lahore, Faisalabad, Multan, Rawalpindi and Gujranwala. These cities, suburbs and the economic regions surrounding them produce an estimated 80% of the industrial production of the Punjab, and 33% of the country’s GDP.

A policy on how to supply basic urban water and sanitation needs must address all issues. If it is dependent on external resources then how this will translate into a sustainable arrangement; this needs examination.

Comments: extracts from the presentations

• KB Nasir
  Technical Advisor,
  Department of Housing Physical Planning and Environment, Government of Punjab

The provincial government has given loans for capital investment to the WASAs. These loans should be returned from the increased revenue generated from this capital expenditure. The factual position is that none of the WASAs are in a position to return the loans. WASA Lahore has received nearly Rs. 4 billion, while WASA Faisalabad, if the FAUP component is included, has received nearly Rs. 3 billion.

Given the current financial position, if the communities want to develop their own water and sanitation systems, they should be encouraged to do so. Similarly, if technical standards need to be relaxed to enable this, that too should be allowed without compromising system efficacy.

• Dr. Zafar Iqbal Qureshi
  Managing Director,
  Punjab Municipal Development Fund Company

The current tariff/cost structure is unequal for the planned and unplanned areas. There exists considerable scope for rationalizing tariffs based on the cost of providing services. At present the capital costs for providing services to planned areas is borne by WASA, while it does not provide services to unplanned areas. The charges should therefore not be the same for both areas.

Three Models Discussed in Faisalabad

There are three existing models for water and sanitation development in Faisalabad. These are:

• Areas where WASA is responsible for all works.
• The FAUP model where the government and the community share costs equally for internal (household and lane level) development while line departments are responsible for providing secondary services and disposal.
• The ASB model, where the community builds the household and lane level infrastructure, but relies on the existing WASA secondary network for supply of water and disposal of sewage.

On the first day of the round table all three models were presented and field visits to the FAUP and ASB project sites were conducted so that participants could get a first hand view of these models in practice.
## Roles and Responsibilities for Current Models

The roles and responsibilities for various services and areas for all three models are summarized in the following table.

<table>
<thead>
<tr>
<th>Issues</th>
<th>Views of</th>
<th>Household</th>
<th>Lane</th>
<th>Neighborhood/Ward/Catchment</th>
<th>Inter-Area</th>
<th>City</th>
<th>City and Beyond</th>
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</thead>
<tbody>
<tr>
<td><strong>Planning of Services</strong></td>
<td>FAUP</td>
<td>Household</td>
<td>Multi Purpose Community Organization (MPCO)</td>
<td>Connects into WASA trunk sewers or natural drains</td>
<td>Relevant planning and development authority after taking into consideration community views</td>
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<tr>
<td></td>
<td>ASB</td>
<td>Household</td>
<td>Lane Committees</td>
<td>Self installed 21&quot; secondary sewers. Connects officially into WASA system</td>
<td>Relevant planning and development authority after taking into consideration community views</td>
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<td></td>
<td>WASA</td>
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<td>As set out in Public Works Department / WASA specifications</td>
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<tr>
<td><strong>Technical Standards &amp; Design</strong></td>
<td>FAUP</td>
<td>Household / Informal advice</td>
<td>FAUP Standard (based on OPP principles)</td>
<td>WASA Standard</td>
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<td></td>
<td>ASB</td>
<td>Household / Formal advice</td>
<td>Orangi Pilot Project (OPP) Standard</td>
<td>O PP standards for community built secondary sewers, WASA sewers as per WASA specification</td>
<td>Responsibility of WASA / Development Agency</td>
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<td></td>
<td>WASA</td>
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<tr>
<td><strong>Implementing Capital Works</strong></td>
<td>FAUP</td>
<td>Household or through craftsmen</td>
<td>Community Contracting</td>
<td>Relevant planning and development authority after taking into consideration community views</td>
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<td></td>
<td>ASB</td>
<td>Household or through craftsmen</td>
<td>Lane Committee</td>
<td>Responsibility of City Development Agency / WASA</td>
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<tr>
<td></td>
<td>WASA</td>
<td>Household &amp; WASA Contractors</td>
<td></td>
<td>Tendered out contracts</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td><strong>Operations &amp; Maintenance</strong></td>
<td>FAUP</td>
<td>Households</td>
<td>MPCO</td>
<td>MPCO for self-installed sewers, WASA for WASA installed sewers</td>
<td>Relevant planning and development authority after taking into consideration community views</td>
<td></td>
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<td></td>
<td>ASB</td>
<td>Households</td>
<td>Lane Committees</td>
<td>Lane Committee for self-installed sewers, WASA for others</td>
<td>Relevant planning and development authority after taking into consideration community views</td>
<td></td>
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<tr>
<td></td>
<td>WASA</td>
<td>Households</td>
<td></td>
<td>WASA</td>
<td></td>
<td></td>
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</tr>
<tr>
<td><strong>Payment</strong></td>
<td>FAUP</td>
<td>100% Households</td>
<td>50% MPCO 50% FAUP</td>
<td>100% for carrier sewers, where household connects to sewers. Household contribution equivalent to lane sewer</td>
<td>Payment through provincial / national taxes</td>
<td></td>
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<tr>
<td></td>
<td>ASB</td>
<td>100% Households</td>
<td>100% Lane Committee</td>
<td>100% community for self installed carrier sewers</td>
<td>Not Applicable</td>
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<td></td>
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<td></td>
<td>WASA</td>
<td>Household</td>
<td></td>
<td>WASA pays from Annual Development Program (ADP) pool (loan and Municipal Corporation granted resources)</td>
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Faisalabad Area Upgrading Project (FAUP)

FAUP is jointly funded by the Government of Pakistan (GoP) (20%) and UK Government (80%). The project is working through existing line departments rather than establishing new parallel structures. The Faisalabad Development Authority (FDA) is the government implementing agency except for the Primary, Solid Waste Disposal component that is implemented by the Faisalabad Municipal Corporation (FMC).

The communities are organized into multi purpose community organizations (MPCO), with the objective to empower these community-based organizations to define their priority needs and advocate for their rights with provincial and local governments.

The project is designed on two separate but complementary main components. Improved community level infrastructure (both physical and social), and income earning opportunities for people in slums and katchi abadis through a process of community organization and participation. These are to be achieved primarily by increasing water supply, improving drainage, sewerage and solid waste collection.

Communities contribute 50% of the cost (usually in cash, although in-kind has been allowed for) of tertiary level infrastructure facilities and have a major role in identifying needs and managing project implementation. To date the project has collected Rs 2.8 million from the communities and around 300 community-based projects have been implemented.

Following achievements observed during the FAUP FDA has established a Community Participatory Development Unit (CPDU) within FDA for carrying out work in non FAUP areas.

An innovation of FAUP was the establishment of the Community Infrastructure Unit (CIU), a cell within Faisalabad WASA. Amongst other things CIU carries out research into ways and means of adopting more affordable water and sanitation technologies, without compromising quality.

Anjuman Samaji Behbood (ASB)

The ASB is an integrated slums development program that has been working on a participatory water and sanitation program since 1995 at Hassanpura, a low income settlement located 5 km south of Faisalabad city. The project is 100% financed by the community and has provided water and sewerage to 1,500 households (HHs).

An analysis of the situation prior to commencement of the program showed potable water as the first priority for the residents. Drinking water was being sold by water vendors for Rs 5 / can of 35 liters. Similarly water for washing was pumped by individual pumps. The total annual expense incurred by 1,000 HHs for supply of water was estimated to be in excess of Rs 3.5 million.

When ASB contacted WASA for laying an underground water supply network for Hassanpura from its main line located 1,000 ft away the concerned officials replied that water for the area would be supplied by the year 2008 (13 years later), and that too depending on the availability of funds. They however agreed to lay the line earlier if the community could come up with the Rs 3.2 million.

ASB with guidance and technical support from the Orangi Pilot Project (OPP) motivated the community and the project was implemented and financed by contributions from the community. Within 2 months a total of 6,000 ft of pipe was laid at a cost of Rs 1.3 million. A no objection certificate was obtained from WASA, and the lines were connected to the WASA water mains.

Upon successful completion of the water supply project, there were demands from the community in Dhuddhiwala and nearby areas for installing a sewage system based on a similar participatory approach. To date a total of 23,443 ft of lane level sewers and requisite internal fittings have been laid for 1,216 HHs at a total cost of Rs 3.3 million. A mini trunk line 1,820 ft long, serving 35 lanes, has also been installed. All lines are connected to the municipal sewers.

ASB has also launched an awareness program for operation and maintenance of the system, and provided safety kits for the four community members involved in maintenance.

Mr. Wattoo had started ASB in 1964, but from 1964 to 1995, ASB’s major activities remained confined to holding of public functions where politicians were garlanded and given awards in the hope that they would assist in providing services to the residents of the area. His approach changed dramatically after meeting with OPP’s Arif Hasan and Dr. Akhter Hameed Khan and training at OPP-RTI in community works.

Observations during FAUP Field Visit

• During the field visit, the issue of sustainability and overhead costs was raised. The British Government continues to fund a substantial portion of the overheads, but how sustainable will it be after this funding dries up?

• For the water supply project at Chak 7, one member of the Aman Community had paid the entire “community contribution” from his own pocket, and was collecting the money in installments from the other members.
Policy Formulation

On the second day, the participants took part in working groups where a consensus evolved on roles and responsibilities for the sector. Their conclusions are presented below in summary form:

**Consensus Matrix on Roles & Responsibilities**

<table>
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<tr>
<td></td>
<td>Households and technical support</td>
<td>Lane committee/ professionals/ CBOs</td>
<td>City Agency / Urban Local Councils with citizens’ representatives and CBOs</td>
<td>C City Agency and provincial government</td>
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<tr>
<td>Technical Standards &amp; Design</td>
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<tr>
<td></td>
<td>Households and formal advice</td>
<td></td>
<td>City Agency &amp; Community Organizations + Technical Advice</td>
<td>C City Agency and provincial government</td>
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<tr>
<td>Implementing Capital Works</td>
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<td></td>
<td>Households</td>
<td></td>
<td>Community Organization / Land committee with skilled labor</td>
<td>City Agency</td>
<td>C City Agency with citizens’ representatives and community organization</td>
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<tr>
<td>Operation &amp; Maintenance</td>
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<td>Community Organization with technical support / City Agency</td>
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<td>Payment</td>
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<td></td>
<td>Households</td>
<td>Households / Community organization</td>
<td>City Agency through households tariffs</td>
<td>City Agency and provincial government</td>
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Upon agreement on the allocation of roles and responsibilities, the plenary session discussed the process of policy reform for the sector. In most areas, a broad agreement on issues was reached, as summarized below:

**Areas Of Agreement**

Planning of Services
- Area wise structure plans should be prepared in consultation with the community for the entire city. Planning should be holistic, address the demands of the community, and allow for increase in population and living standards.
- Development planning should be commensurate with available development budgets.
- Communities should work in synergy with the ULC WASA plans.

Technical Standards & Design
- **There is a need:**
  - for consistency in technical specifications and design for infrastructure. This has to be pre-agreed and notified nationwide to avoid disputes after implementation.
  - to define “appropriate specifications”. What is appropriate for one usage may not be compatible with another.
  - for training of NGO’s/CBO’s working in the sector to conform to requisite technical specifications.
  - for testing and research to add to the revised technical standards.

Implementing Capital Works
- **There is a need:**
  - to identify roles and responsibilities for each of the actors.
  - to restructure institutional responsibilities in view of the changed ground realities.
  - for capacity building and skill training for participatory initiatives.

Operation and Maintenance
- **There is a need:**
  - to identify roles and responsibilities for O & M keeping in view technical standards and tariffs.
  - to restructure institutional responsibility for O & M of community installed systems.
  - to build capacity and training in O & M for the community.

Payment
- All government institutions are facing a financial crunch and will have reduced capacity for financing infrastructure projects.
- The community pays for all services through user charges, development and connection charges or through taxes.
- Tariffs should be equitable and allow for community initiatives, especially for community operated and maintained systems.
- The problem of backlog of payments from the community should be addressed.

Policy
- There should be a unified policy for urban sanitation.
- Policy should be uniform for the poor and the rich, and should allow for increases in population, changes in living standards and current resources.
- Policy to allow for contribution from individuals, NGO’s and community based initiatives.
The Way Forward
It was agreed that a committee would be formed to examine in detail those areas where there were differences of opinion between representatives of the government agencies and NGOs/CBOs, or where issues could not be fully addressed in the allocated time. The committee would then put forward recommendations for policy which would then be presented to the relevant authorities.

Areas to be addressed by the Committee

Appropriate “Standards”/Specifications for Community Based Initiatives: Due to the flat terrain in Faisalabad, most of the tertiary systems have to be linked to WASA’s existing systems for final disposal. The specifications for internal development adopted in such community based initiatives: must be acceptable to the city agencies, as the two systems will eventually be linked; and must be affordable yet not jeopardize the operational capabilities of the municipal systems.

Tariff Rationalization: It was agreed that the tariffs levied should be proportionate to the costs involved in installing such a system and should also be affordable for the community.

Operation and Maintenance: As the two systems are inter-linked, the responsibility and costs for O &M have to be worked out. For community installed systems, there may be an element of training in O&M costs. Where the two systems interconnect, the allocation of responsibilities and costs have to be worked out.

Step-by-Step Approach to a Mechanism: The actual mechanism for incorporating the participatory approach has to be worked out including rules, responsibilities and referees. Thus regulatory systems for such initiatives should be put in place.

Legislation: If enabling legislation is required to facilitate the system, the areas of legislation should be identified and appropriate legislation enacted or existing legislation amended accordingly.

Water and Sanitation Program - South Asia
The mission of the program is to help poor people gain sustained access to improved water and sanitation services. Its current UES strategy in Pakistan is focused on three areas.

— Policy development
— Development and promotion of good practices
— Dissemination of sectoral learnings

In addition to the dialogue on policy development, current initiatives include compilation of a database of sector organizations and projects, and work on pilot projects for city-wide planning based on the “Strategic Sanitation Approach”.

For Further Information
An abridged version of the proceedings is available at the address given below. If you have any comments, queries or suggestions concerning the workshop or the policy development process, please contact:

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