



ASIAN DEVELOPMENT BANK

**SCIP-03: PROGRAM MANAGEMENT, PROJECT PREPARATION
AND IMPLEMENTATION SUPPORT FOR PLANNING AND
DEVELOPMENT DEPARTMENT**

ADB Loan No. 2499-PAK

**MONTHLY PROGRESS REPORT
MARCH 2012**



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1. INTRODUCTION

This report is the Monthly Progress Report of the Consultant's activities on SCIP-03 for the month of March 2012, as prepared by the Consultant, Brisbane City Enterprises (BCE).

Following PSU notification to the Consultant (2 February 2012) regarding formation of the Second Cluster - Central Sindh Towns and having addressed Stakeholders in Mirpurkhas on 16 February 2012, the first Field Trip to Mirpurkhas, Tando Allahyar and Umerkot took place from 27 February to 1 March 2012. The Consultant commenced the second field trip to Tando Adam, Shahdadpur & Sanghar w.e.f. 6 March to 8 March, 2012.

To handle the field trips regarding Water Supply and SWM, responsibility for these sectors were taken by the International Water Supply Expert, Mr Don Makini and National Municipal Services Engineer (SWM), Mr Saadat Ali respectively. The Consultant's MSE (WSS) / DTL, Mr Amjad Habib, took responsibility for the Wastewater sector, pending the recruitment and mobilization of the National Wastewater Engineer.

The Consultants presented the scope of work along with progress under SCIP-03 to the Secretary, BOI/Member NSUSC Board (representing ACS-Dev. P & D Department, GoS) at PSU, Committee Room.

The Final Inception Report duly incorporating various discussions with PSU was submitted to PSU on 25 March.

The TORs/RFPs for the Mapping Studies and Baseline Studies (ADB, Submission-1) were finalized by the Consultant's Contracts & Procurement Specialist, Mr Ali Imam Qadri and submitted to PSU.

Consultant's Field Visit Reports for Solid Waste, Water Supply & Wastewater sectors were submitted to PSU during the period.

The Consultant took steps during the reporting period to speed up national staff progress by mobilizing following personnel:

1. Urban Statistician, Ms Nasira Asghar on 7th March, 2012.
2. Communications & Community Outreach Specialist, Ms Tasneem Bhatti on 22nd March, 2012.
3. Hydrogeologist, Mr Muhammad Qamar- uz-Zaman on 24th March, 2012.

The International Team Leader resigned his position on the project and demobilized on 17 March, 2012. The Municipal Finance, Tariff and Regulatory Advisor (MFTRA) and Water Supply Expert (WSE) provided continuous inputs. On the National staff, the Deputy Team Leader and Junior Engineer (Water) provided continuous input.

A video conference between the PSU (Karachi) and BCE (Brisbane) was held on 16 March, 2012, to discuss project leadership and task delivery issues.

CONSULTANCY

2.1 Contract Status

Consulting services for SCIP-03 are being provided in accordance with the Consultancy Agreement of May 2010 between the Program Support Unit (PSU), Planning & Development Department, Government of Sindh and BCE, in association with SMEC International (SMEC) Pty Ltd (Australia) and Engineering General Consultants (EGC) Pvt Ltd (Pakistan). Consultancy services commenced on 5 July 2010, and were planned to extend to 30 June 2012, the end of ADB Loan 2499-PAK, as agreed at the contract negotiation meeting in Karachi on 4 March 2010. No further work was carried out on the original contract by BCE after the demobilization of the Team Leader and completion of his first input on 8 November 2010, pending the formation, agreement and signing of Amendment No. 1 on 12 July 2011, and the re-mobilisation of staff in late October 2011. The Team Leader resigned and left the project on 17 March, 2012.

The Consultant's scope of work has four main areas of activity:

A1: Support the PSU in overall monitoring and evaluation of SCIP, and implementation of the SCIP Action Plan for Reform, including propelling the reform agenda and implementing province-wide policy, regulatory and institutional change.

A2: Identification and formation of Second Cluster in central Sindh including Incorporation, Formation and Legal Documentation of USC in Central Sindh.

A3: Mapping and Master Planning of Water Supply, Wastewater Management, Solid Waste Management Infrastructure; identification of potential Subprojects and project preparation; preparation of feasibility studies including preliminary designs for cost estimates of subprojects in each participating TMA of central Sindh cluster, Tranche 3.

A4: Support Urban Policy and Strategic Planning Unit on implementation initiatives and reforms.

2.2 Consultant's Staffing

2.2.1 General

The staffing schedule in Contract Amendment No.1 includes, for International staff, 36 person-months (7 personnel) and, for National staff, 122 person-months (23 personnel).

Two tables are at **Appendix A** showing staff inputs since project commencement in July 2010: one each for International staff and National staff.

2.2.2 Staff Present in Reporting Period

In the reporting period the professional staff on the project based at the Consultant's office were as follows:

Staff Present in Consultant's Office in March 2012

Name	Position	Start Date (this input)	Current Input	Present During Reporting Period
International				
Peter Griffiths (International)	Team Leader/ Institutional Reform and Municipal Serv. Advisor (International)	18/01/12	60 days	Part-month
Emmanuel Travino (International)	Municipal Finance, Tariff and Regulatory Advisor (International)	23/02/12	60 days	Full-month
Donald Makini	Water Supply Expert (International)	23/02/12	60 days	Full-month
National				
Amjad Habib (National)	Deputy Team Leader/ MSE(WSS) (National)	15/11/11	Continuous	Full-time
Saadat Ali	MSE (SWM)	27/02/12	12 days	Part-month
Ms Ambreen Bibi	Junior Engineer #1 (National)	9/02/12	Continuous	Full-month
Nasira Asghar	Urban Statistician	07/03/12	45 days	Part-month
Tasneem Bhatti	Communications & Community Outreach Specialist	22/03/12	90 days	Part-month
Muhammad Qamar-uz-Zaman	Hydrogeologist	24/03/12	45 days	Part-month

The following staff were employed on a home-input basis, as agreed with the PSU:

Staff Working on Home-Input Basis in March 2012

Name	Position	Start Date	Input	Remarks
Ali Imam Qadri	Contracts & Proc Spec	25/02/12	Unspecified	1 month period of home-base working agreed by PSU

Supporting Staff

Throughout the reporting period the Consultant continued to employ an Office Manager, a Computer Operator/Secretary and Tea-boy. Support staff include:

Mr Nadeem Khan, Office Manager
 Mr Rehan Ahmed, Computer Operator/Secretary
 Mr Nazeer Khan, Tea Boy
 Mr Fareed Khan, Guard
 Mr Gulam Rasool, Gardener
 Ms Naseem, Janitorial Services

2.2.3 Staff Work Programmes

In January 2012 the Client requested the Consultant to provide work programs for staff member to enable them to more easily follow tasks undertaken and outputs achieved.

On 22 February BCE provided initial work programs for the seven International staff, with key National staff to follow. As the Project Work Plan has been and is being updated, the work programs for International staff will also require updating. Work programs for National staff have not yet been provided and are overdue.

2.2.4 Consultant's Staffing Issues**General**

The issue of adjustment of inputs of staff is still under discussion with the Client, it having been agreed that the changes will be the subject of a separate report in which the reasons for inputs

adjustments will be substantiated by the Consultant. Following subsequent discussion and agreement with the Client, a VO will be drawn up.

International Staff

Regional, Economic Planning and Urban Development Advisor

BCE was informed in a PSU letter dated 2 February 2012 of Asian Development Bank's approval of Mr Requito V. Bellosillo for the above position.

In discussion with the Client, BCE agreed a 1 May 2012 start date for Mr Bellosillo, This start date reflects the period needed for P&DD to develop a core staff in the Urban Unit. The current status is that a Director General has been appointed, with part-time inputs from GoS staff.

BCE propose that Mr Bellosillo provide an input of 6 person-months between May and December 2012, in three inputs of two months each. This input, combined with the 1.4 months provided in 2010 by Mr Bellosillo's predecessor, Mr Mal Horner, will result in a total input of 7.6 months, this being 1.6 months less than the 9 months included in Contract Amendment No.1. BCE propose to allocate the unused portion of the input to other international staff, subject to Client agreement.

As the timing of Mr Bellosillo's project input will exceed the project contract period, a VO will be required.

Municipal Services Engineer (SWM)

On 10 February 2012, BCE formally advised the PSU that the nominated MSE (SWM) Advisor, Mr Michael Coad, was not available to take up this role for a two months input. The CV of a new candidate was forwarded under cover of the same letter. This was followed up on 17 February with the mandatory second CV for a second candidate. The two CVs were subsequently reviewed by P&DD's CSC and one of the candidates was, the Consultant understands, deemed to be suitable. The results of the CSC review were forwarded to the ADB in the last week of the reporting period for their confirmatory approval which is still awaited.

Safeguards Advisor (Resettlement)

BCE is actively looking for a replacement for Mr Lopez for this position, for which the estimated required input start is early June 2012 (2 months input).

National Staff

General

National staff recruitment continued to be a problem for the Consultant, with 12 of the 24 positions unfilled, as can be seen in **Appendix A**.

To facilitate the recruitment process, the Consultant placed a prominent advert in the *Daily Dawn* in February 2012. More than 400 CVs were received; these have been assessed by EGC staff in Lahore and the interviews were held and BCE in process of shortlisting/forwarding CVs to PSU in the next reporting period. The Consultant has also been looking into direct sub-contracting of possible suitable candidates.

2.3 Consultant's Office Arrangements

2.3.1 Procurement of Additional Office Equipment

At the meeting between the Consultant and PSU of 1 February 2012, it was agreed that BCE would take advice from PSU's MIS section on the procurement of the computers, PSU having recently procured a number of HP desk-top models.

The Consultant wrote to the PSU on 8 February 2012 with a full list of additional office equipment they wish to procure.

PSU's Procurement Committee met on 22 February 2012 to review and approve the Consultant's list of additional office equipment. The results of this review were forwarded to the ADB for confirmatory approval received by PSU on March 23 and conveyed to BCE on March 24, 2012. Items are planned for procurement in the next reporting period.

2.4 Meetings & Presentations

- (i) During the reporting period a presentation was given by the Consultant on SCIP-03 to ACS-Dev. P&D Department, GoS (represented by Secretary, BOI/Member NSUSC Board).
- (ii) Progress Meeting chaired by PD, PSU to discuss the progress of SCIP-03.

Consultant's Meetings / Presentations in March 2012

Date	Location	Meeting/ Presentation	Topic	BCE Staff Present
03/03/12 (3.00 PM)	PSU Office	Presentation/Discussion	Presentation and discussion on BCE's scope of work/progress	TL, DTL, MFTRA, WSE, JE
30/03/12 (4.00 PM)	PSU Office	Meeting/Discussion	Progress of SCIP-03/issues	Actg.TL, MFTRA, WSE, HG.

2.5 Field Visits to TMAs

The table below shows visits made by the Consultant's team to the TMAs during the reporting period.

Consultant's Field Visits in March 2012

Date	Town	Consultant's Team	Purpose of Visit
01/03/12	Tando Allahyar	DTL, WS Expert, MSE(SWM)	Discussions with TMA staff and visits to water supply, wastewater and SWM sites and installations
06/03/12 to 8/03/2012	Tando Adam, Sanghar & Shahdadpur	DTL, WS Expert, MSE(SWM)	Discussions with TMA staff and visits to water supply, wastewater and SWM sites and installations

3. PROJECT PROGRESS AGAINST WORK PLAN

3.1 Work Plan 5/2/12 – Revised 22/3/12

The revised Work Plan (**Appendix C**) reflects the late completion of both mapping studies and baseline studies (*Section 3.5* refers). The effect of the former is to put back completion of the Master Plans to September 2012, thus obviating their use in the preparation of the feasibility studies and the identification of subprojects. During the 1 February Consultant's Work Plan presentation and discussion with the Client (see meeting record, Appendix B), it was agreed that the identification of priority works in each town must proceed without the benefit of mapping and Master Plans, with reliance on the ability of the TMAs to provide the Consultant with the minimal mapping and utilities record drawings to effect this. Some shortcomings associated with this process have been identified in this report.

The Work Plan shows a number of activities through the reporting period. Progress on these is described in the following sections.

3.2 Project Tasks

Item 1.2: Procurement of Logistics and Facilities Required for Consultant's Team

Section 2.3.1 and Section 2.3.2 above describe current status.

Item 1.3: Organisation and Management of Consultant's Team

As previously noted, the Team Leader, Mr Peter Griffiths, was due to demobilize on 17 March, 2012 and return to the project in several months' time. Mr Griffiths has resigned from the project and will not be returning, with technical tasks being handed over to and co-ordinated by the Deputy Team Leader (now Acting Team Leader), Mr Anjad Habib, and planning and administration tasks co-ordinated by the BCE project co-ordinator, Ms Amanda Galvin Myers. These are interim measures while the Consultant considers the best option for ongoing team leadership.

During a video conference with the Client on 16 March, 2012, the Consultant undertook to provide options by 23 March. During this time the Consultant followed up some options, but by the end of the reporting period was unable to get back to the Client with feasible options. This issue is overdue for action.

Item 3.1: Review work plan, budget including OSF, and organizational structure.

In a meeting held on 14 March, the Client agreed that the MFTRA concentrate on reviewing the OSF for Central Sindh cluster towns. A tabular list of revenue and cost data requirements for existing WSS, WWM and SWM operations was emailed to the Client on 29 March.

Item 3.2: Develop and Implement IPPMS for SCIP and identify M&E Framework against the Action Plan

No activity for this intermittent activity in this reporting period, apart from furnishing the Client with hard copies of a revision to the Consultant's Strategy Report: Monitoring and Evaluation, as issued in soft copy at the end of the last reporting period. Although the reporting is on programme, the implementation of the baseline studies (Item 3.2B) has fallen behind schedule, as described later.

Item 3.3: Advise provincial authorities on their roles and responsibilities as part of USC Board of Directors

This task was due to commence in March, and continue over April and May. Progress will be advised in the next reporting period.

Item 3.4: Develop and Implement a PSU Capacity Development and Training Plan

This task was due to start in March, but was actually commenced on 24 February, following the mobilisation of the Consultant's Municipal Finance, Tariff and Regulatory Advisor (MFTRA). Although the task was programmed to be implemented over March to May, in practice this will stretch through to June or July, in response to the availability of the Consultant's specialist staff delivering the training. The project Work Plan will be updated to show this intermittent activity. The MFTRA provided a Draft PSU Capacity Development and Training Plan to PSU on 13 March.

The MFTRA is in the process of finalising the Capacity Development and Training Plan for PSU and will be submitting in early April for review/approval.

Item 3.5: Revise and finalise draft Sindh drinking water policy.

The WS Expert has commenced this task as planned.

Item 3.7: Conduct study of water supply and wastewater management regulatory needs.

No specific action was taken on this task during the reporting period. The work now being undertaken by the Water Supply Expert on the Sindh Drinking Water Policy (Item 3.5 above) will have some implications for this task. Upon his next mobilization, the MFTRA will also work with the WSE and the Communications and Community Outreach Specialist to progress this task.

Item 3.8: Develop and assist PSU in executing communications strategy and outreach to raise public awareness of urban service provision reforms.

The Communications and Communication Outreach Specialist has been mobilized for this scheduled 6 month task.

Item 3.11: Provide technical advice to the PSU as needed.

This is an ongoing and intermittent activity.

Item 4.3 (iii) Prepare management contract for second Sindh cluster based upon Punjab Cities' Improvement Program example.

The MFTRA provided a preliminary report *Alternatives to USC: Operate and Manage Contract or Concession Agreement, and Prerequisite to WSS Management Success: Zonal and Subzonal Distribution Network* to the Client on 5 March.

Preparation of Sub-Contracts under (PKR) Provisional Sum

The evaluation of the EOIs for the mapping studies, as started in January 2012, continued into February when the evaluation of the baseline studies EOIs commenced; and the RFP for the mapping studies was substantially completed. The mapping studies program is about one month behind program, and the baseline studies program is up to two months behind program given that the procurement process is still underway and the Work Plan shows the studies were due to commence in March and April. The Plan will be updated to reflect this.

Item 5.1.1: Water Supply System Mapping for Potential Tranche 2 Towns (and subtasks)

Item 5.1.3: Wastewater Management Master Plans for Tranche 2 Towns (and subtasks)

EOIs/RFP - ADB Submission 1 for Water Supply, Wastewater & Solid Waste Management Baseline Studies

The Consultant's Contracts & Procurement Specialist worked on this component continuing on a home-input arrangement. He arranged for the finalisation of the EOIs evaluation list through PSU/CSC.

At the same time he produced the RFP (in ADB format) incorporating the Terms of Reference produced by the Consultant's Monitoring & Evaluation Specialist (based on data provided in the Consultant's Strategy Report) due for delivery to the PSU in first week of April, 2012.

EOIs/RFP - ADB Submission 1 for Water Supply, Wastewater & Solid Waste Management Mapping Studies

The Contracts & Procurement Specialist also arranged for the finalisation of the Mapping Studies EOIs evaluation list through PSU/CSC. He worked at the same time on putting together the RFP (in ADB format), this incorporating the Terms of Reference produced by the Consultant's MIS/Mapping Specialist; delivered to the PSU on 19 March, 2012.

Item 5.1.2.1: Carry out analysis of existing water supply system in terms of coverage and water availability, using the maps developed.

Although developed maps are not yet available, a proper analysis can be undertaken for each town once the actual extent of the water supply networks in the cluster towns and customer base information is available. Up-to-date maps of the water supply networks will obviously enhance progress on this work. Preliminary information was also gathered from TMAs during the Field Visits held in February and March 2012.

Item 5.1.2.2: Identify potential sources of water and assess their yield, using existing information and conduct hydrogeological investigation where required.

The Hydrogeologist was mobilized at the end of the reporting period. He has been briefed on issues including the assessment of the potential yield of both surface and ground water in Tando Allahyaar, Umerkot, Tando Adam, and Shahdadpur, and will undertake Field Trips to the towns concerned.

Item 5.1.2.4: Prepare report on current and future demand for water, based on population and demand projections.

Initial population and demand projections were obtained, based on information acquired during Field Visits. Population estimates have recently been updated by the Urban Statistician and will be provided during the next reporting period.

Item 5.1.2.5: Assess needs for investment in water production for 2012 to 2037.

The ongoing work on the subprojects will identify these requirements which will then become part of the Master Plans. The investment needs in 'water production' will be influenced by the population projections (and resulting demand).

Item 5.1.2.6: Develop proposal based on work already done on zoning the water supply system to move to 24/7 water supply.

No progress was made on this task during the reporting period. This will commence when there are up-to-date drawings/maps of the cluster towns' distribution networks.

The International Water Supply Expert has identified the need to commit to water conservation and introduce water demand management approaches where zoning and district metering have been highlighted. Zoning of the system to achieve 24/7 supply has a high chance of being achieved once these approaches are adopted and the zones clearly identified.

Item 5.1.4A: BCE prepares EO adverts, EOIs evaluation with PSU, preparation of RFP, evaluation of bids, appointment of firm.

This item was scheduled for commencement in February for completion in March; for subconsultancy commencement in April. It is overdue for completion. The National Municipal Services Engineer (SWM) has prepared the ToR for the outsourced services (waste generation characterization, time and motion studies, inventory of existing solid waste infrastructure, staff, vehicles and equipment).

Item 5.1.4.1: Undertake in-depth field assessment of physical infrastructure and systems.

The National Municipal Services Engineer (SWM) undertook Field Visits to four towns as previously mentioned (Tando Allahyaar, Sanghar, Tando Adam, Shahdadpur); and prepared field visit reports for all six towns visited to date.

Item 5.1.4.3: Review current and planned private sector interventions, including the activities of the informal private sector.

Tasks relating to 5.1.4 in general have been slow to commence due to the non-availability of the original International MSE (SWM) and the current process to replace him. Hence these tasks will need to be put back at least one month and the Work Plan amended.

Item 5.1.4.4: Carry out technical analysis and identify institutional, regulatory and physical improvement options.

See above.

Item 5.1.4.5: Identify sanitary landfill sites based on World Bank and ADB guidelines.

Guidelines for selection of sites for sanitary landfill in TMAs were prepared.

Item 5.1.4.8: Conduct wide ranging stakeholder consultations.

The Communications and Communication Outreach Specialist has been mobilized for this scheduled four month task.

Item 5.1.4.9: Prepare SWM Master Plans Report.

This scheduled seven month task is noted for commencement in March. However, the Work Plan will be amended to show it starting in several months' time as there is no need for it to commence at this moment, and in any case the relevant staff are not currently available.

Item 5.2.1: Identify subprojects and advise PSU on the capital investments to be considered for Tranche 2.

The identification of subprojects is being carried out by Consultant's municipal engineers in close coordination with the PSU Municipal Services Specialist and staff. An initial target sent by the PSU MSS is to draft a list of subprojects by 15 April.

Item 6.1.1: [Urban Planning] Scoping study, SWOT analysis and strategic plans.

This task has not been commenced as the Regional, Economic, Planning and Urban Development Advisor is not due to commence until 1 May, 2012. The Work Plan for Item 6 tasks will be updated to reflect this timing.

4. KEY ISSUES

The key issues identified are:

1. The feasibility studies and subprojects identification must start without the advantages of (a) completion of the towns mapping; and (b) Master Plans delivery. This situation has arisen from the lengthy CQS procedure (PSU/CSC/ADB approvals at each step) as it relates to the Mapping & Baseline Studies. This has a knock-on effect on the Master Plans, with completion pushed back to September.
2. An early start and completion of sub-contract documentation for SWM studies, assets inventories studies (for the SAMAs) and, to follow, geotechnical and hydrogeological investigations are mandatory to complete all the tasks.
3. Early feedback from the Towns field visits is that the TMAs have very little utilities mapping and as-built drawings. This is very problematic and requires that the Consultants will have to develop some rudimentary mapping using the (PKR) Provisional Sum to fund survey work and mobilizing the national Senior Surveyor and Field Engineer to supervise.
4. The Consultant to speed up the recruitment process for National staff, with short-term focus on the recruitment of Water Supply Engineer, Wastewater Engineer, Field Engineer, Junior Engineer, and Senior Surveyor.
5. The Consultant to speed up plans for project team leadership.

5. PROGRAMME OF ACTIVITIES FOR NEXT REPORTING PERIOD

The Consultant's activities for April 2012 are planned to include the following:

- Seeking ADB's early approval for Submission 1 and commencement of bidding process for the top-ranked EOI Company
- Finalisation of Baseline Studies - ADB Submission 1 for ADB's approval and commencement of bidding process for the top ranked EOI Company
- Approval of PSU Capacity Development & Training Program and preparation of materials and resources
- First Draft Report regarding Revision and finalization of Sindh Drinking Water Policy by Water Supply Expert
- Sub-Projects Identification for Water Supply and Wastewater Management
- ToRs for the SWM outsourced studies to be sent to PSU in first week of April
- Preparation of advert, and insertion into local newspapers, for EOIs for the SWM studies
- Finalization of RFPs for the SWM studies
- Field visits by the Consultant's Hydrogeologist, to the TMAs of Tando Allahyar, Tando Adam and Shahdadpur

- Field visits by the Consultant's Communication & Community Outreach Specialist to the TMAs of Tando Allahyar, Mirpurkhas & Umerkot
- Mobilisation of the Consultant's Legal Advisor; Water & Wastewater National Experts