

18th Amendment weakens federal role: WB

ISLAMABAD: The World Bank has stated that the 18th Amendment has shifted all responsibilities in water and sanitation sector from the Centre to provincial and local governments and this weakens the federal role of setting common policy standards across the country.

"Pakistan has made substantial progress in reducing poverty, but spatial disparities in poverty levels as well as pace of poverty reduction remain large," says the WB in its latest report titled 'When Water Becomes a Hazard, A Diagnostic Report on the State of Water Supply, Sanitation, and Poverty in Pakistan and its Impact on Child Stunting.'

The report states that four out of five poor Pakistanis still live in rural areas, and there are large differences in the level and rate of progress on poverty reduction across districts.

The incidence of poverty declined significantly in Pakistan over the past decade and a half, falling from 64 percent in 2001 to about 30 percent in 2014. The reduction was coupled with an increase in asset ownership and dietary diversity, with substantial gains in both in the bottom quintile.

Khyber Pakhtunkhwa saw the largest decline in poverty, followed by Punjab and Sindh. Balochistan remained the poorest province in the country, with a headcount poverty rate of almost 57 percent in 2014. Regional differences in living standards remain large, both within and across provinces.

Rural areas continue to lag behind their urban counterparts in terms of both poverty and access to basic services like health and education and the gaps persist across all quintiles of the income distribution. District-level poverty is equalizing over time, but there is a clear north-south divide. Both within and across provinces, the poorest districts registered the largest declines in poverty, but most of the poorest districts are in Balochistan, followed by Sindh and southern Punjab.

A north-south divide is also evident within the two most populous provinces of the country, with the bordering districts of southern Punjab and northern Sindh registering the highest poverty rates within the two provinces.

Urbanisation is positively correlated with poverty reduction, but significant pockets of high poverty exist in better-off districts and large urban centres. Within districts, urbanisation tends to be positively correlated with the pace of poverty reduction.

The districts of Hyderabad in Sindh and Musakhel and Killa Abdullah in Balochistan increased their urban share by about 23 and 25 percentage points, respectively, for example, and saw the largest reductions in poverty. But, pockets of high poverty exist within better-off areas.

Districts that host large cities like Lahore, Rawalpindi and Faisalabad have much higher levels of within-district inequality than smaller districts. District-level policy targeting may lead the government to overlook poverty hotspots within otherwise wealthier districts. This underscores the need for more granular data, below the district level, on poverty and basic indicators of wellbeing. Large cities also host a larger number of poor people. Targeting only on the poverty rate may thus miss a significant proportion of the poor residing in larger cities.

There was a substantial reduction in open defecation over the past decade, as access to WASH infrastructure rose throughout the country. Poverty reduction has been coupled with an increase in access to WASH infrastructure throughout Pakistan. Access to within-dwelling improved water increased substantially over

the past decade and a half, largely through privately bored hand and mechanized pumps. The percentage of households with latrine facilities also rose significantly, again largely through self provision. As a result, the national rate of open defecation plummeted from 29 percent in 2004/05 to 13 percent in 2014/15.

Policies on increasing access to improved sanitation have completely overlooked fecal waste management. Management of drains and treatment of human waste is nonexistent for most rural dwellers, as well as the poor in smaller urban towns and cities, and there has been almost no public sector effort to regulate toilet quality or monitor water quality.

Pakistan continues to lag behind its neighbours and income peers in terms of child nutritional outcomes. Despite reductions in poverty and increases in WASH access, stunting rates remain high. Indeed, stunting rates were somewhat higher in 2011 (44 percent) than in 2001 (42 percent). At the provincial level, 38 percent of all children in Punjab, 47 percent in Sindh, 49 percent in KP, and 53 percent in Balochistan were stunted in 2011. Though the rate of stunting is lowest in Punjab, a majority of Pakistan's stunted children live there, due to its large population share. More recent data for Punjab and Sindh from the Multiple Indicator Cluster Survey shows no improvement in these rates. The incidence of diarrhoea - a critical factor behind immediate weight loss, intestinal damage, and malabsorption of nutrients - also remained at 22 percent between 2006 and 2012 and again shows no improvement in the more recent MICS for Punjab and Sindh.

Higher income and good hygiene and care practices can moderate the impact of low-quality water and sanitation on nutritional outcomes. The decline in poverty has likely prevented health outcomes like stunting from worsening. An increase in household consumption is associated with a reduction in the risk of stunting and diarrhoea, especially among older children, because richer households can afford better preventive care (use of oral re-hydration salts or other treatment of diarrhoea) and a more nutritious diet.

Overlapping institutional roles, lack of coordination and planning, limited technical capacity, and weak monitoring systems create governance challenges in the water and sanitation sector. Water and sanitation is a provincial and local government mandate in Pakistan, but the governance structure remains complex, with many overlaps. The 18th amendment to the Constitution shifted all responsibilities in water and sanitation sector from the federal to provincial and local governments. Though the change could increase accountability in the medium run, it weakens the federal role of setting common policy standards across the country. Moreover, considerable confusion remains at the provincial level about the roles and responsibilities of each tier of government. The operation of multiple institutions in the sector, often with substantial overlap in their functions and responsibilities, creates competition for resources and weakens accountability for outcomes. In Punjab, for example, the Local Government Ordinance of 2001 transferred some responsibility for water and sanitation service to local governments but failed to dissolve the Public Health Engineering Department (PHED). The Local Government Act of 2015 also introduced a rural-urban divide, but the demarcations of urban versus rural are outdated in many cases. As a result, PHED and local governments continue to have parallel roles in major policy initiatives. Local governments lack the technical capacity and the tools to target resource allocation: The Local Government Act of 2015 needs to define the functions of various tiers of government so as to reduce overlap and enhance accountability. This needs to be followed by the creation of requisite capacity at each tier. At the provincial level, sector planning frameworks remain weak, and there is no clearly articulated sector-wide approach.

To make matters worse, resource allocation is not aligned with sector needs. Moreover, despite insufficient capacity, there is little effort to engage the private sector in service delivery. The current institutional architecture does not facilitate service delivery for water and sanitation, for several reasons. First, de facto institutional responsibilities do not match de jure mandates. Lack of clarity on specific roles has kept institutions inefficient. Second, no formal and consistent mechanism exists to coordinate the planning of water and sanitation investments, which means that budget allocation is also fragmented. Third, limited local government capacity has resulted in design failures of water and sanitation schemes and insufficient attention to community engagement and the operations and maintenance (O&M) of existing schemes.

Without the technical capacity and the financial budget for O&M, these communities, which are poor and lack capacity, are set to fail in managing local infrastructure. Unsurprisingly, about a third of all schemes are non-functional. Fourth, inadequate information management systems mean that data on service delivery are not systematically collected.

Weak monitoring undermines accountability, limits the ability of local governments to respond to issues in the short run, and constrains their ability to plan better in the long run.

Public finance, including allocations for WASH, is heavily concentrated in provincial capitals, and it is regressive across other districts (poorer districts and districts with worse water and sanitation infrastructure spend less on WASH). Decentralisation has yet to improve the targeting of resources. Provincial capitals received a majority of funding in 2009-10-2014-15. In Punjab the total per capita allocation for Lahore was almost 18 times higher than the average of all other districts combined. In KP and Balochistan, the gap was slightly smaller (9-18 times) but also large. The gap was largest in Sindh, with Karachi receiving almost 100 times more in per capita terms than other districts in the province.

Even if provincial capitals are excluded, the relationship between district poverty and fiscal allocations remains weak. In Punjab and Sindh, in particular, poorer districts tend to receive smaller allocations than richer ones. Decentralisation has not changed the heavy concentration of resources in provincial capitals or made allocations less regressive. In the post decentralisation period (2011-15) average per capita allocations to provincial capitals decreased only slightly. The concentration of WASH expenditures in provincial capitals increased significantly following decentralisation. However, districts other than provincial capitals spent a larger share of their total budget on WASH.

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