



## Competitive and Livable City of Karachi (CLICK) project | Component-1

### Support by competent firm or organization towards institutional strengthening of (25) Town Municipal Councils (TMCs)

#### Terms of Reference

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##### Introduction and Background to the assignment

1. The Competitive and Livable City of Karachi (CLICK) project is implemented by the Government of Sindh with funding from the World Bank. Its objective is to (i) enhance the institutional performance and management capacity of local governments (LGs) in Karachi, which include six (at the time of project formulation; later expanded to seven) District Municipal Corporations (DMCs), one District Council and Karachi Metropolitan Corporation (KMC); (ii) improve the provision of municipal infrastructure in Karachi and (iii) improve the business environment.
2. With a total World Bank funding of US\$230 M, the project (07/19-06/24) has four components as follows:  
**Component 1: Performance-based Grants to Local Councils and Capacity Building (US\$160.0 million)**  
This component finances the provision of performance-based grants (PBGs) to Karachi local councils upon achievement of specified institutional strengthening measures, to incentivize LCs to improve management capacity and enhance city competitiveness. LCs will use the grant funds to implement subprojects for infrastructure and services under their mandate, in line with needs of citizens and businesses.  
**Component 2: Modernizing Urban Immovable Property Tax Administration and System (US\$40.0 million)**  
This component supports: (a) carrying out an all-Karachi property survey to update the property tax database; (b) developing and upgrading an Information Technology (IT) system to house the property tax database and providing related training; (c) strengthening staff capacity on property tax administration; (d) developing IT systems to facilitate taxpayers billing and payments; (e) reviewing relevant property tax laws and regulations in Sindh; and (f) carrying out taxpayer sensitization and outreach activities. It finances goods, consultancy and non-consultancy services, trainings, works and incremental operating costs for these activities, with the objective of modernization and improvement of the UIPT system in Karachi.  
**Component 3: Improvement of City Competitiveness and Business Environment (US\$20.0 million)**  
This component supports improvements to the business environment in Karachi and builds capacity of local-level agencies to crowd-in private investment for the provision of city infrastructure and services through enhanced capacity to develop bankable projects. Activities complement other components by creating the enabling environment for increased private investment in city infrastructure services and represent a subset of interventions required to improve the city's competitiveness.  
**Component 4: Technical Assistance for Solid Waste Management (SWM) (US\$10.0 million)**  
This component provides technical assistance and capacity building support to the Local Government Department and the Sindh Solid Waste Management Board to improve SWM in Karachi through the identification and resolution of critical challenges and the formulation of a long-term strategy for sector development and investment to address identified challenges. It will include a set of TA activities addressing critical identified challenges which will contribute to the formulation of a long-term investment strategy.<sup>1</sup>

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<sup>1</sup> The Project Appraisal Document (PAD), and notably its Annex 2 has a more detailed description of the original project design. See <https://projects.worldbank.org/en/projects-operations/document-detail/P161402?type=projects> under documents.

3. During the mid-term review of the project (May 2022), and with regards Component-1, it was noted that, for a variety of reasons, disbursement was low. Moreover, with the Local Government Law Amendment (passed on 26 November 2021) and the subsequent notification of 25 Town Municipal Councils (TMCs) to replace the (7) District Municipal Councils and the (1) Rural council, the institutional and organization set-up at this tier of local government is to be completely overhauled, as new entities are being created whose performance is to be appreciated (as part of the performance-based grant model underpinning Component-1). For these reasons, and at the request of the Government of Sindh, a restructuring of the project's Component-1 was agreed, for which the main elements, as far as the new TMCs are concerned, can be summarized as follows:

- A two-year extension of the project from June 30, 2024 to June 30, 2026 allowing for a transition year (FY 2022/23) for the TMCs to be established and two rounds of grant allocations (i.e. for FY 2023/24 and FY 2024/25), with FY 2025/26 as a year to complete any unfinished works and wind up the project.
- Local Project identification to continue but now with centralized implementation of infrastructure works, whereby the Local Government Department (LGD) and in particular the Project Implementation Unit (PIU) will be responsible for procurement and implementation of the works on behalf of the TMCs.
- For the first grant cycle (FY 2023/24) each TMC will be given an indicative allocation (to be managed by the LGD PIU on their behalf) based on the earlier OZT share of the concerned DMC and the most recent census data for TMC populations, for appropriately justified, prioritized, and council approved urban infrastructure falling within the mandate of the TMCs.
- For the second grant cycle (FY 2024/25) the allocation for each TMC is determined by meeting a set of minimum conditions (40% of the maximum calculated allocation) and, once the minimum conditions are met, the score of each respective TMC against a set of performance measures (for up to 60% of the total calculated maximum allocation).
- The total amount available for the first grant cycle is USD 25.8 M (40% of the total envelope) and USD 38.7M (60%) for the second cycle. The tentative amount for each TMC for the first grant cycle and the maximum amount for grant cycle 2 (with actual amounts subject to meeting the MCs and scores against performance indicators) are provided in Annex 1.

For the first grant cycle, TMCs need to have, as a prerequisite, an investment plan, based on consultations with citizens and the business community to be able to actually benefit the indicative allocation. For the second year, and in order to get any allocation, TMCs need to comply with the minimum conditions (see Annex 2) and meet the performance indicators (See Annex 3) to maximize their allocation.

#### **Main objective, scope of the work and detailed task**

4. Against this background, the main objective of the assignment is to make support available to the TMCs for them to be able to achieve the performance conditions and take maximum benefit of the available allocations under the two performance-based grant cycles. Whereas the TMCs remain fully responsible for their performance (in meeting the conditions and scoring), the support to be provided under this assignment is to enable all TMCs that are willing to make an effort to meet certain performance standards to benefit the grants as much as possible.

Under the scope of work, three strands of sequential activities can be distinguished as follows :

5. ***(i) Develop an approach and template for the preparation of a rolling 3 year TMC investment plan and budget that is based on consultations with citizens and private sector and enjoys the endorsement of the elected representatives, and includes a list of projects for funding under the CLICK infrastructure grants***

Activities include, but are not limited to the following :

- Review CLICK project design documents (including PAD, POM and agreements on restructuring of Component-1) to fully appreciate the objectives of the project and the context of the assignment;
- Review rules and regulations as well as templates issued by the Government of Pakistan and the Government of Sindh related to investment planning by Local Governments, in order to ensure that the proposed approach falls within that framework; in as much as the approach to be proposed is expected to go further with regards to consultations with both citizens and private sector representatives;
- Review the available investment plans and budgets for the various DMCs; and assess in how far they can be easily split up as draft TMC plans to be validated during a round of consultations;
- Review the options and make a proposal to effectively and efficiently organize inclusive and representative consultations with citizens and the business community, taking into account the way the TMCs are (to be) structured on the one hand and the way stakeholder groups and civic society are organized in Sindh on the other;
- Prepare a detailed process guideline, with description of activities and events, templates and timeline, for TMCs to prepare a 3 year rolling investment plan and budget, based on inputs from existing plans, expert opinions and consultations with (and validation by) stakeholder groups (notably citizens in different areas of the TMC, gender and age wise differentiated) and due approval by council or otherwise. The proposal should read as a guideline, and be max 15 pages including templates;
- The rolling investment plans to be prepared are expected to be a reference point for the new TMCs for transparency and accountability as they are supposed to guide TMC investments over the next few years;
- The guideline should include provisions on drawing a list of projects (from amongst those in the 3 year investment plan through a consultative process, that the TMC proposes for funding under the CLICK infrastructure grant.
- Finally, the guideline should include instructions on how to annually update the plan – and the final version should be prepared in both in English and Urdu/Sindhi languages.

**6. (ii) Assist all interested (max. 25) TMCs to prepare their duly approved multi annual prioritized investment plan and budget following a consultative process, that includes a list of projects for funding under the CLICK investment grants over the next two financial years (FY 2023/24 and FY 2024/25).**

Activities include, but are not limited to the following :

- Meeting with all TMCs to introduce the firm/organization; present the guideline (output from the previous sub task) and explain the support package on offer;
- Deployment of one dedicated consultant to each TMC that has expressed interest in receiving the support for a period of 6-8 weeks (25-30 working days) to hands-on assist the TMC in the preparation of the first three-year rolling capital investment plan and budget;
- Meet with TMC management and draw an activity calendar also specifying the tasks of the TMC, as the task of the dedicated support consultant is to guide and facilitate the process; and not to solely undertake all the work;
- Review the available investment plans and budgets for the parent DMC; and assess in how far they may be relevant for the TMC; Consider raising options for inter TMC projects, if applicable;
- Help organize and facilitate the various consultative meetings, with both stakeholder parties as well as with the TMC technical staff;
- Assist in building consensus and ownership around the emerging plan;
- Guide and assist the editing of the plan and budget as per the template provided in the guideline;

- Ensure that the budget estimates are as accurate as possible, for which the respective advisors may seek support from either PIU, the civil engineer(s) in the senior core support team or engineers within the pool of the TMC support team (see below); and
- Assist in ensuring that the investment plan and budget is duly approved by the TMC council or otherwise as per the legal requirements; and that includes the list of projects proposed for CLICK funding within the maximum budgets allocated (see Annex 1).

**7. (iii) Assist all interested (max. 25) TMCs to prepare themselves to be able, by end of 2023, to meet the minimum grant conditions for FY 2024/25 (as detailed in Annex 2) and score well on the performance indicators (see Annex 3) to maximize their allocation.**

Activities include, but are not limited to the following :

- Teams of two support consultants (including one member of the senior core team) to meet with the management of all TMCs (one-on-one), once in June 2023 and once in September 2023, to go over the Minimum conditions and the Performance measures; explain the consequences of not doing well during the upcoming APA and then, for the TMC to express in which area(s) it would like to receive specific technical support in order to be able the grant access conditions. On average, for this sub-task, there are 6 - 8 days of consultancy support available for each TMC;
- TMCs themselves remain responsible for meeting the various grant access conditions; the consultancy is to support and guide them in this regards (but not to do the work on their behalf). Amongst others support could be related to maintaining and closing cashbooks; asset registers, annual procurement plans or how to engage a local business consultation forum;
- Based on the discussions and requests, the consultant-firm is to twice make a three-months support deployment plan (for the periods July-September and then October-December respectively) to be approved by the PIU; and finally
- The firm will deploy its support staff as per the approved plan.

**Indication of the levels of input**

**8.** In relation to the above three sub-tasks, three ‘categories’ of input are required :

- A. A senior core team, of around 3-4 people with ample expertise in local governance, local planning & budgeting, civil engineering and process facilitation, ideally representing both genders, and one amongst them being the team leader, to
- (i) Conduct sub-task-1;
  - (ii) Oversee, manage and guide sub-task-2; whereby each of the members of the core team, from their respective discipline, will support the dedicated consultants assisting the TMCs *in situ* to prepare the 3 year rolling investment plans and budgets;
  - (iii) Oversee, manage and participate in sub-task-3.

Total input estimated at between 120 and 150 person days.

- B. A pool of 25 mid-level, local governance consultants that will, through on-the-job support, assist interested TMCs in developing a 3 year rolling investment plan and budget (sub task -2), following the steps as agreed on the basis of the output of sub task-1, including a list of proposed projects to be funded under the CLICK grants (within the maximum budgets as provided in Annex 1).

Total estimated input at between 500 and 750 person days (20-30 days per TMC).

- C. A small pool of mid-level local PFM experts (bookkeeping, closing of accounts, asset management, procurement planning) to complement the senior core team to support TMCs upfront, both on-demand and pro-actively, in performing well in the APA of January 2024.

Total input estimated at between 150 to 200 person days, mid-level and senior consultant level combined.

## Timeline

9. The timeline for the activities is largely determined by the two fiscal cycles under the restructured project (see para 3 above) :

November 2023 – January 2024.

Sub-task 1 : Develop an approach and methodology for preparing prioritized investment plans and budgets for TMCs that are based on a consultative process.

To be completed by end of February 2024.

- March – April 2024

Sub-task 2 : Assist the TMCs on site in preparing a first 3 year rolling investment plan and budget with prioritized activities including a list of projects (with budget indication) to be funded under the CLICK grants.

To be completed by mid-May 2024 latest, to allow inclusion in the budgets for next FY; and PIU to start preparing for procurement (detailed drawings, BoQs, tender dossiers, etc.)

- June – December 2024

Sub-task 3 : Assist the TMCs, in a combination of pro-active supply as well as on demand, in preparing to meet the Minimum conditions and score well on the performance indicators during the Annual Performance Assessment (APA), foreseen for January 2024 to inform the CLICK capital grant allocation to TMCs for FY 2024/25.

## Deliverables

10. The following deliverables are due for the assignment :

Sub task-1 :

- A draft proposal for the preparation of consulted and prioritized 3 year rolling investment plans and budgets; three weeks after signing the contract
- A final proposal for the preparation of consulted and prioritized 3 or 5 year investment plans and budgets; one week after receipt of comments from Government of Sindh and World Bank via the PIU

Sub task-2 :

- Bi-weekly short progress reports for the PIU to be kept abreast of progress but also to allow PIU to intervene or facilitate progress of the exercise if and when needed; for the period of the exercise, in principle not exceeding 2.5 months (5 to 6 reports in total)
- As much as submission of acceptable investment plans remains the responsibility of the respective TMCs, satisfactory performance of the institutional support firm is expected to result in at least 80% (i.e. 20 of 25) of the TMCs to submit an investment plan, of reasonable quality and based on substantial consultations. .

Sub task-3 :

- Two support deployment plans (one by 30<sup>th</sup> of June 2024 and one by 30<sup>th</sup> September 2024)
- Two support implementation reports (one by 30<sup>th</sup> of September and one by 31<sup>st</sup> of December) providing an overview of the actual level of support provided (by TMC and by theme) whilst also providing an update on progress made and difficulties encountered.
- As much as performance in the APA remains the responsibility of the respective TMCs, satisfactory performance of the institutional support firm is expected to result in at least 80% of the TMCs to access at least 80% of their maximum allocation for FY 2024/25.

**Qualifications of firm / organization**

- 11.** The consultant firm, organization (or consortium of firms and organizations) should at least have the following qualifications:
- A full-time staff establishment of at least 12 professionals in areas pertaining to this assignment (i.e. local governance, public sector planning and budgeting, PFM and accounting, stakeholder consultations and process facilitation)
  - Demonstrable affinity with working with local councils and stakeholder consultations. Having worked on this in Sindh is an advantage.
  - A track record of having successfully undertaken at least 3 assignment over the past five years with a level of effort (consultancy input) of 750 consultancy days each. .
  - A track record of having successfully undertaken consultancy assignments with a team of at least 15 staff over the past six years
  - Having a turn-over of at least USD 500,000 equivalent as per the last available audit (not older than 2 years).

Apart from the above minimum requirements, selection will take into account the firm’s (or firms’ in case of a consortium) company profile; track record and relevant past experience; approach and methodology, notably the proposed management structure; and finally CVs.

**Payment schedule**

- 12.** As part of the financial proposal the bidding firms will be invited to quote, with underlying details, for the five cost components as in the shaded area of the table below :

	Senior core team	Consultants (max 25) working with/in TMCs	Roving support team (to prepare TMCs for APA)	TOTAL
Sub task-1	A1	-	-	ST-1
Sub task 2	A2	B	-	ST-2
Sub task 3	A3	-	C	ST-3
TOTAL	A	B	C	

The payment schedule will link these amounts to the above defined deliverables as shown in the Table below :

Milestone (deliverable)	Payment	Comment
1. Draft proposal for preparation of plans	40 % of A1	
2. Final approval methodology to prepare plans	60 % of A1 10 % of B	For mobilization
3. Upon 2 <sup>nd</sup> bi-weekly progress report Sub Task 2	25 % of B	For payment B to be adjusted subject to the actual number of TMCs that have agreed to benefit the support of a <i>in situ</i> consultant
4. Upon 4 <sup>th</sup> bi-weekly progress report Sub Task 2	40 % of A2 25 % of B	
5. Upon the final biweekly progress report Task 2	60 % of A2 40 % of B	
6. Upon acceptance first mobilization plan Sub Task 3	30% actual deployment plan	For payment, C to be adjusted to the number of ‘C’ days in the actual deployment plans
7. Upon acceptance for first Sub-Task 3 progress report and the second mobilization Plan	40 % of A3 70 % 1 <sup>st</sup> deployment plan 30 % 2 <sup>nd</sup> deployment plan	
8. Upon acceptance of the second and final Sub-Task 3 progress report	60 % of A3 70 % 2 <sup>nd</sup> deployment plan	

### **Responsibilities of the client**

13. The Client will avail all relevant documents to the consultants and will facilitate setting up the schedule for meetings with the concerned Local Councils. The Client will ensure that the local councils are properly briefed on the assignment, its purpose and content, and the collaboration expected from the Local Councils.

### **Other responsibilities of the consultant firm**

14. The consultant firm shall be responsible for its necessary office space, ICT equipment, including computers for all its staff on the assignment as well as other office and workshop materials and stationaries required to carry out the assignment. The consultant will also take care of its own transport to reach the premises of the respective local councils.

### **Timing and duration of the contract**

15. The assignment is expected to take place between 01 December 2023 and 31 December 2024.

### **Documents to be provided by the client:**

- Project appraisal document (PAD)
- Project Operations Manual (POM), revised
- CLiCK preparation phase: An Institutional Assessment
- CLiCK Social Management Framework
- Documents (PPTs) related to the restructuring of Component 1
- Any other material considered relevant

## Annex 1 : Allocations for all TMCs or FY 23/24 and FY 24/25 <sup>2</sup>

TMC population data to be obtained – until then the table cannot be finalized – the below reflect the situation that population of all TMCs would be equal (which is obviously not the case)

TMC Maximum allocations - CLICK Capital grants FY 2023/24 and FY 2024/25								
Former LCs (DMCs and DCK) under SLGA, 2013	Relative Share in OZT (FY ??/??)	Town Municipal Council created under SLG (Amendment Act, 2021)	TMC Population <b>ADD DATA &amp; SOURCE</b>	Calculated Share CLICK grant	CLICK investment allocation FY 2023/24, in USD	CLICK investment allocation FY 2024/25 in USD		
						40% on MCs	60% on PMs	Total
DMC Korangi	14.3%	Model Colony	1	3.6%	924,487	554,692	832,038	1,386,731
		Shah Faisal	1	3.6%	924,487	554,692	832,038	1,386,731
		Landhi	1	3.6%	924,487	554,692	832,038	1,386,731
		Shah Korangi	1	3.6%	924,487	554,692	832,038	1,386,731
DMC South	16.1%	Saddar	1	8.1%	2,080,582	1,248,349	1,872,524	3,120,874
		Lyari	1	8.1%	2,080,582	1,248,349	1,872,524	3,120,874
DMC West	9.4%	Orangi	1	3.1%	809,656	485,794	728,690	1,214,484
		Mominabad	1	3.1%	809,656	485,794	728,690	1,214,484
		Mangopir	1	3.1%	809,656	485,794	728,690	1,214,484
DMC Malir *)	19.1%	Gadap	1	6.4%	1,640,072	984,043	1,476,065	2,460,109
		Ibrahim Hyderi	1	6.4%	1,640,072	984,043	1,476,065	2,460,109
		Malir	1	6.4%	1,640,072	984,043	1,476,065	2,460,109
DMC Central	21.2%	New Karachi	1	4.2%	1,093,036	655,821	983,732	1,639,553
		North Nazimabad	1	4.2%	1,093,036	655,821	983,732	1,639,553
		Gulberg	1	4.2%	1,093,036	655,821	983,732	1,639,553
		Liaquatabad	1	4.2%	1,093,036	655,821	983,732	1,639,553
		Nazimabad	1	4.2%	1,093,036	655,821	983,732	1,639,553
DMC Keamari	9.3%	Maripur	1	3.1%	801,871	481,123	721,684	1,202,806
		Mirbahar	1	3.1%	801,871	481,123	721,684	1,202,806
		Baldia	1	3.1%	801,871	481,123	721,684	1,202,806
DMC East	10.5%	Sohrab Goth	1	2.1%	544,182	326,509	489,764	816,273
		Safoora	1	2.1%	544,182	326,509	489,764	816,273
		Gulshan	1	2.1%	544,182	326,509	489,764	816,273
		Jinnah	1	2.1%	544,182	326,509	489,764	816,273
		Chanesar	1	2.1%	544,182	326,509	489,764	816,273
<b>Total</b>	<b>100.0%</b>		<b>25</b>	<b>100.0%</b>	<b>25,800,000</b>	<b>15,480,000</b>	<b>23,220,000</b>	<b>38,700,000</b>

\*) The OZT share for District Council Karachi (9.7% of total) has been added to the share of DMC Malir as the area of DCK will become part of TMCs Gadap and Ibrahim Hyderi

<sup>2</sup> The allocation for FY 2024/25 has 'to be earned' by TMCs meeting the minimum conditions and performance measures.



**Annex 2 : TMC Minimum access conditions CLICK capital grant FY 24/25**

<b>MCs Capital Grant for TMCs - Second grant cycle (FY 2024/25) -</b>		<b>Assessment JAN24</b>
<b>MC-1</b>	The TMC signed the participation agreement upon resolution of its Council	
<b>MC-2</b>	The TMC has a dedicated office, office address, phone number(s) and website	
<b>MC-3</b>	The TMC has two designated CLICK focal point officers (one for engineering and one for finance/procurement)	
<b>MC-4</b>	The TMC-council has approved a prioritised investment list for CLICK projects for FY 24/25	
<b>MC-5</b>	Work place harrasment Inquiry Committee appointed and functional according to legal provisions	
<b>MC-6</b>	The project initiated audit of the Dedicated Click account for past FY 2022/23 was neither disclaimed nor adverse	

40% of the calculated maximum allocation for FY 2024/25 (see Annex 1) will be ‘earned’ on the basis of meeting the above minimum.

The other 60% can be ‘earned’ by meeting the performance indicators, whereby each performance indicator add to the total percentage to be allocated (with a maximum of 100% if all indicators are met).

The top-up can only be ‘earned’ if all the minimum conditions are met. A TMC failing one of more MCs will not be eligible to any allocation for FY 2024/25.

**Annex 3 : TMC performance indicators CLICK capital grant FY 24/25**

<b>Theme</b>	<b>Performance indicators</b>			<b>% of allocation against PMs APA January 24</b>	
<b>I. Financial Management</b>	1	<b>1.1</b>	The TMC had closed its cashbook for previous FY by 31st of July (incl. bank reconciliations)	5.0%	30%
	2	<b>1.2</b>	A simplified asset register, following a format to be provided, is available	5.0%	
	3	<b>1.3</b>	The TMC has a officially authorised annual procurement plan for current FY	5.0%	
	4	<b>1.4</b>	The TMC annual budget for this FY 2023/24 uses the Standard Chart of Accounts	15.0%	
<b>II Citizen engagement and private sector consultative fora</b>	5	<b>2.1</b>	The TMC has prepared its CLICK capital inverment project list for the FY 24/25 following a number of (planning) steps, yet to be specified by PIU, including consultations with citizens	10%	30%
	6	<b>2.2</b>	The TMC’s website is accessible and has been regularly updated	10%	
	7	<b>2.3</b>	The TMC has established a Local Business Consultation forum, for which at least one meeting was held as part of the CLICK planning / budgeting process for FY 2024/25	10%	