



PIDE SLUDGE SERIES | ELECTRICITY NEW CONNECTION

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Challenges





- Excessive or unjustified frictions that make it difficult for people to get things done.
- Frictions that make processes difficult to complete including; such as excessive paperwork, unnecessary
- NOCs to be obtained, excessive hierarchy involved in approvals, centralized decision making and rent
- seeking attempts – All this costs time and money and frustrates people by depriving them of access to goods, opportunities, and services.

What is the Sludge in Economy?

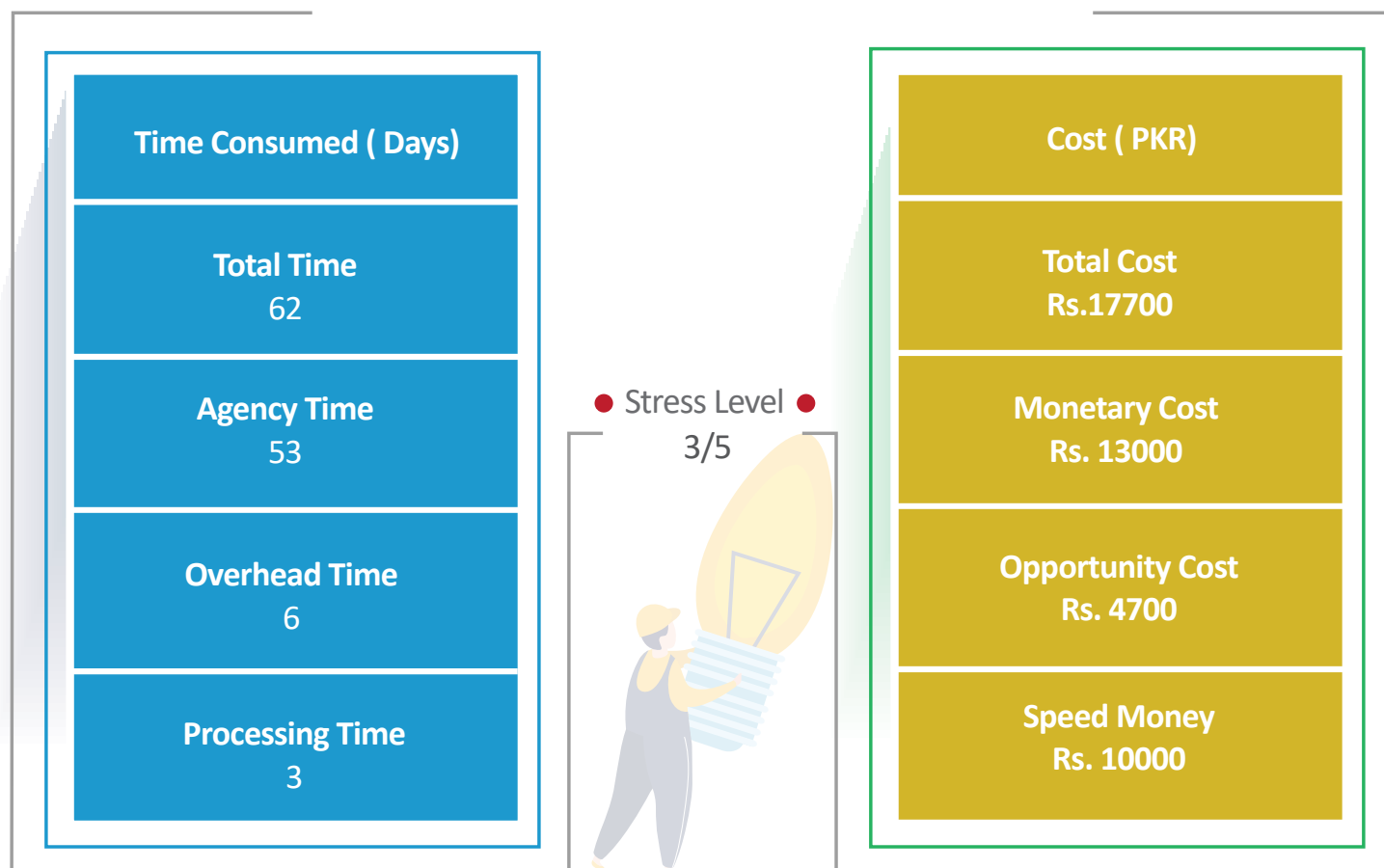
Why Sludge Matters?

- Sludge impedes decision making by making it more difficult for people to navigate through their everyday lives.
- It imposes costs upon the economy in terms of waste of resources, and the opportunity costs incurred. This discourages investments, lowers productivity and therefore constrains GDP growth.
- It can be used to seek rents, which again constrains economy activity and GDP growth.
- It imposes psychological costs as well in the form of frustration, humility, and stigma.

- To highlight the sludge in different activities
- Induce the concerned agencies to work for reducing sludge
- To pin down areas where sludge can be reduced by shortening the processes or reduce through digitization

Objectives of the Sludge Series

Electricity New Connection



Agency Time

The time consumed by the department/agency concerned in processing an activity.

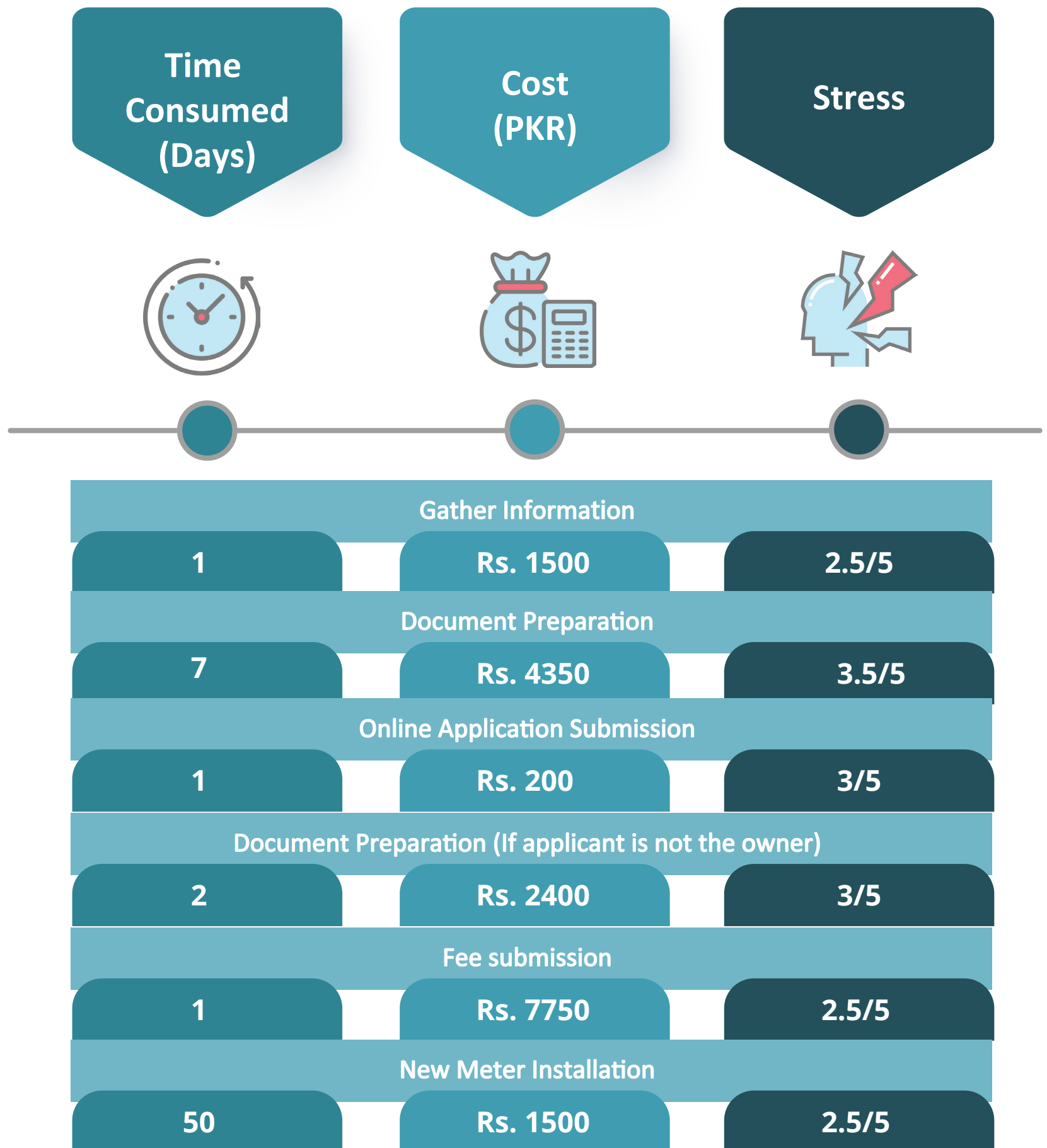
Overhead Time

Part of the day lost due to being involved in this activity for a fraction of the day.

Opportunity Cost:

Income earned if the time consumed in this activity is put on an alternative use. It is measured by multiplying total processing time with the hourly per capita Gross National Income.

Sludge in Electricity Connection



Sources of Sludge

There exists sludge in the documentation preparation, but a major source of sludge is in applicants' file processing by the officials. Prior to issuance of demand notice, the application file requires signature of many officials and a survey of applicants' property site. Either the applicants have to bribe the officials or he personally has to come to office from time to time to transfer file from one officer to another. In urban areas, it is relatively easy to get electricity connection, because electricity wires are already passing in front of the house. In rural areas, it is quite difficult to get connection if the 220 volt wire is not passing in front of the house.

Cutting Sludge

Eliminating Unnecessary Steps

01 ACCESS TO NADRA

Attested copy of CNIC, attested copy of witness CNIC and neighbour's electricity bill, all of these requirements are redundant the government departments should have access to NADRA record.

02 PROPERTY PROOF

The requirement of property proof, i.e. Fard, could also be eliminated if electricity distribution companies is given access to online land or property ownership record.

03 SLOW PROCESS

Too slow application processing by the officials (in absence of bribe) is the major source of sludge. So there should be proper check and balance on officials.

04 LINEMAN FRAUD

With every new connection 40 meter wire is allotted, but the lineman install meter at pole (instead of applicants' property wall) by using only 10 meters. They sell remaining 30 meter wire in the market and earn money .

05 RURAL AREAS

In rural areas, if new connection requires installation of 2 new poles and 160 meter of wire, its official fee is around Rs. 35000 . But the surveyor will not clear the application until you agree to pay Rs. 150,000 to 200,000. Hence if you do not agree to pay the bribe, you have to live in stoneage (without electricity). On the other hand, if there exist 11 kv transmission near you and the installation of new transformer is required then you have to pay bribe around Rs. 400,000.



Color Legend



Table 1: Steps and Time Consumed in Getting New Electricity Connection

Steps	Description	Time (minutes)				Overhead Time	Agency Time
		Travel / Approach	Waiting / Queue	Transaction / Process	Total		
Information Gathering	Travel to Regional IESCO Office	45			45	480	
	Meet Official to Gather Information		30	30	60		
	Finish the Day	45			45		
Document Preparation	Registry/Fard					960	1440
	a)Visit Patwarkhana	45			45		
	b)AksShajra		30	30	60		
	c)Copy of Registry		5	15	20		
	d)Finishing the Day	45			45		
	e)Visit-2 Patwarkhana	45			45		
	f)Collect Documents After 3 Days		30	30	60		
	CNIC Copy	45	5	10	60		
	Attestation	120	45	5	170		
	Witness CNIC Copy			10	10		
	Attestation			5	5		
	Ask Neighbor for Bill	10	45		55		
	Bill Copy			10	10		
	Finish the Day	45			45		

Online Form Filling				60	60		
Document Preparation (If Applicant is not owner)	Print of Online Application		30		30		
	Affidavit						
	a) Print	45		10	55	480	
	b) Collect Stamp Paper		20	10	30		
	c) Print Affidavit		10	10	20		
	NOC						
	a) Collect Stamp Paper			10	10		
	b) Print NOC			10	10		
	Finish the day	45			45		
Visit Bank	Visit ABL or NBP	45			45	480	
	Fee Submission		45	5	50		
Visit-2 IESCO	Application Submission		30	45	75		
	Finish the Day	45			45		
Visit-3 IESCO	Collect Meter and Wire	45	30	10	85	480	24000
	Finish the Day	45			45		
Total Time (Minutes)					1385	2880	25440
Total Time (Hours)					23	48	424
Total Time (Days)					3	6	53
Aggregate Time		62					

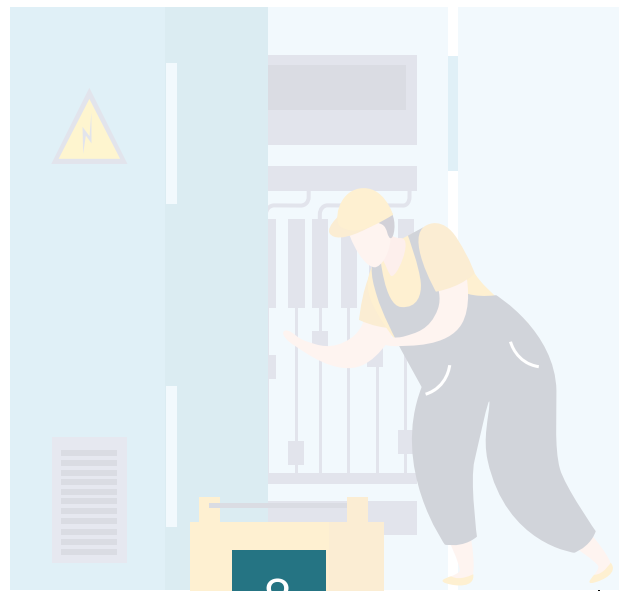


Table 2: Monetary and Opportunity Cost in Getting New Electricity Connection

Steps	Description	Cost (PKR)			Opportunity Cost (PKR)
		Travel / Approach	Fee	Total	
Information Gathering	Travel to Regional IESCO Office	500		500	152
	Meet Official to Gather Information			0	202
	Finish the Day	500		500	152
Document Preparation	Registry/ Fard				
	a)Visit Patwarkhana	500		500	152
	b)AksShajra		100	100	202
	c)Copy of Registry		100	100	67
	d)Finish the Day	500		500	152
	e)Visit-2 Patwarkhana	500		500	152
	f)Collect Documents After 3 Days			0	202
	CNIC Copy			0	202
	Attestation		10	10	572
	Witness CNIC Copy			0	34
	Attestation		10	10	17
	Ask Neighbor for Bill			0	185
	Bill Copy		10	10	34
	Finish the Day	500		500	152
Online Form Filling				0	202
Document Preparation (If Applicant is not owner)	Print of Online Application	500		500	101
	Affidavit				
	a) Print		150	150	185
	b) Collect Stamp Paper		100	100	101
	c) Print Affidavit		200	200	67
	NOC				
	a) Collect Stamp Paper		150	150	34
	b) Print NOC		100	100	34
	Finish the day	500		500	152
Visit Bank	Visit ABL or NBP	500	6000	6500	152
	Fee Submission			0	168
Visit-2 IESCO	Application Submission			0	253
	Finish the Day	500		500	152
Visit-3 IESCO	Collect Meter and Wire	500		500	286
	Finish the Day	500		500	152
Total				12930	4663

Box- 2: Stress Percentage

The distribution of stress across steps has been calculated by multiplying the total process time (including travel, waiting, and transaction time) of each step with the stress level. The Stress % column in the table contains a percentage representation of stress distribution

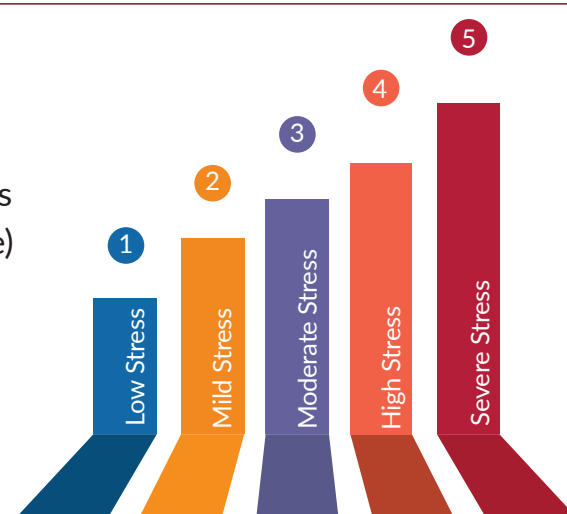


Table 3: Stress Level in Getting New Electricity Connection

Steps	Description	Stress Level (out of 5)	Stress %
Information Gathering	Travel to Regional IESCO Office	2	2.49%
	Meet Official to Gather Information	4	6.65%
	Finish the Day	2	2.49%
Document Preparation	Registry/ Fard		0.00%
	a)Visit Patwarkhana	2	2.49%
	b)AksShajra	4	6.65%
	c)CopyofRegistry	5	2.77%
	d)Finish the Day	2	2.49%
	e)Visit-2 Patwarkhana	2	2.49%
	f)Collect Documents After 3 Days	3	4.99%
	CNIC Copy	1	1.66%
	Attestation	3	14.13%
	Witness CNIC Copy	1	0.28%
	Attestation	3	0.42%
	Ask Neighbor for Bill	3	4.57%
	Bill Copy	1	0.28%
	Finish the Day	2	2.49%
Online Form Filling		3	4.99%
Document Preparation (If Applicant is not owner)	Print of Online Application	1	0.83%
	Affidavit		0.00%
	a) Print	2	3.05%
	b) Collect Stamp Paper	2	1.66%
	c) Print Affidavit	4	2.22%
	NOC		0.00%
	a) Collect Stamp Paper	2	0.55%



	b) Print NOC	<div><div></div></div>	2	0.55%
	Finish the Day	<div><div></div></div>	2	2.49%
Visit Bank	Visit ABL OR NBP	<div><div></div></div>	2	2.49%
	Fee Submission	<div><div></div></div>	4	5.54%
Visit-2 IESCO	Application Submission	<div><div></div></div>	3	6.23%
	Finish the Day	<div><div></div></div>	2	2.49%
Visit-3 IESCO	Collect Meter and Wire	<div><div></div></div>	3	7.06%
	Finish the Day	<div><div></div></div>	2	2.49%

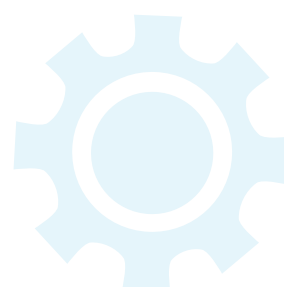


Notes:

The information used in the report has been collected through multiple interactions and in-depth interviews with stakeholders including concerned government agencies and private entities. Applicants were key informants and were also interviewed in-depth.

Assumptions:

1. Travel time is assumed 45 minutes one-way
2. Overhead time: For instance, though it takes 150 minutes to gather information, but the entire day (480 minutes) of the applicant are consumed in the process. The analogy remains same in the remaining steps.
3. Agency time; the time taken by the concerned department to process/approve the transaction.





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