
Consultations and Research on Local Governance in the Punjab Project
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Introduction

The project ‘Consultation and Research on Local Governance in Punjab’ is a collaboration between the Centre for Public Policy & Governance (CPPG), Forman Christian College University (FCCU) and the Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) Support to Local Governance (LoGo) programme to generate a dialogue on the recent (still unimplemented) Punjab Local Government Act 2019 and gather recommendations for strengthening the local government system in Punjab.

Three rounds of consultations were conducted at the CPPG with various stakeholders of the local governments of Punjab to gather constructive insights from the implementation of the Punjab Local Government Act (PLGA) 2013, identify issues for reform, and recommend changes for the implementation of the PLGA 2019. The consultative meetings, which took place between July and October 2019, brought together representatives of the Local Government & Community Development Department, the former elected representatives of local governments from various districts of Punjab and the civil society organizations (CSOs), the academia, university students as well as the media.

The objective of the consultations was to initiate a robust discussion about the strengths and weaknesses of previous local government laws/acts to inform better implementation strategies for the PLGA 2019. Every effort was made to engage various segments of the concerned population to ensure that all stakeholders were provided the opportunity to vocalize their concerns regarding the local government system reform in Punjab.

Context

Local government has been recognized as the most important government tier in terms of service delivery, economic development, and democratic control. Local governments bring government to the doorsteps of the people and help turn local people’s choices into policy. In many countries, following the principle of subsidiarity, which argues that functions should reside at the lowest level most adapt at fulfilling them, decentralization of government functions have led to improved service delivery and more accountable governance.

In 2010, the 18th constitutional amendment was passed that, among other things, mandated the creation of local government systems by the provinces. To fulfill its constitutional obligation, the Provincial Assembly of Punjab passed the Punjab Local Government Act (PLGA) in 2013. It was heavily influenced by the Local Government Ordinance 1979. Like the 1979 ordinance, the 2013 law was also based on the urban-rural divide, with a two-tiered rural structure (the union and the district council) and urban municipal bodies, such as urban union councils, municipal committees, municipal corporations, and metropolitan corporations. The major difference in the two laws was that the 2013 law envisages local education and health authorities that are largely outside the purview of the local governments. The law also gave wide powers to the provincial government and bureaucracy. In late 2016, local government elections were held in Punjab and local governments were constituted.

Following the general elections for the National and Provincial Assemblies in 2018, the new provincial government in Punjab announced its intention to reform the province’s local government system. It promised to empower local governments by devolving functions and funds to the local level. The promise was fulfilled when the PLGA 2019 was passed by the Punjab Assembly on 30th April and signed by the Punjab Governor on 4th May 2019. The new legislation introduces a new tier, the village panchayat and neighbourhood councils, to bring government closer to the people, abolished the District Council and reintroduced the Tehsil Council. It also grants more powers to the elected representatives as compared to the PLGA 2013.

KEY RECOMMENDATIONS

In light of the three rounds of consultations with diverse stakeholders of the local government system in Punjab, and the concerns voiced by the participants, the CPPG puts forward the following recommendations to strengthen the local government system in the Punjab:

1. Local governments should be allowed to complete their mandated tenures to stabilize the democratic process.
2. The tenure of local governments should be aligned with the tenures of the federal and provincial governments to increase the possibility of completion of their tenures.

3. A participatory approach, which ensures due involvement of all stakeholders in the policy formation and implementation phases of local government laws, be encouraged for strengthening local governance.

4. Accountability mechanisms should be fair, transparent, and may not be used to hamper the working of local governments.

5. Awareness-raising campaigns should be conducted, with the help of the civil society and academia, to apprise the citizenry and local government officers about their respective rights and responsibilities.

6. The role of civil society as a key stakeholder, with relevant expertise and extensive experience, should be acknowledged by the government by including them in the planning and implementation phases of laws.

7. Capacity building is indispensable for the successful implementation of the PLGA 2019. Comprehensive training workshops may be conducted to apprise local government officers about the PLGA 2019 before it becomes operational. Expertise of different CSOs and academia may be utilized in this endeavor.

8. The devolution of governance to the village level should be implemented only after the village units have the necessary logistical and administrative capacity to discharge their duties.

9. Without a clear career progression path for every cadre of the local government bureaucracy, staff motivation will remain low. The LG & CDD may focus on career planning of officials that do not belong to CSP and PCS.

10. Detailed and unambiguous job descriptions, highlighting the division of duties between the elected officials and different cadres of bureaucracy be laid down before the implementation process in order to minimize disagreements, delays, ineffectiveness, and inefficiency.

11. The financial and administrative oversight by the provincial government should be rationalized and local governments may be given more control over fund disbursement for the local development projects.

12. A district-level civil service cadre be established to minimize the interference of provincial bureaucracy in matters of local governance. The Lalamusa Academy may be revived to impart crucial administrative skills to local government officials.

13. Capacity building of the representatives of marginalized groups (women, youth, workers, & peasants), provided reserved seats under the PLGA 2019, may be planned as it is essential for their effectiveness and subsequent uplifting of these marginalized groups.

14. The reduction in reserved quotas for under-represented groups be reviewed and increased to the level of LGO 2001 to achieve inclusive governance at the local level.

15. Women, youth, and minority representatives be given well-defined portfolios and allocated funds to ensure their meaningful participation and contribution to local governance.

16. Although it will require amendment in the laws, the increase in the minimum age limit for participation in elections and selection of the name “panchayat” for the lowest tier may be reviewed and rescinded.

17. Local government officials be trained before technology integration into local government programs is carried out.
LESSONS LEARNT FROM THE IMPLEMENTATION OF PLGA 2013

Consultations and Research on Local Governance in the Punjab Project

FIRST CONSULTATION REPORT
Introduction

The project ‘Consultation and Research on Local Governance in Punjab’ is a collaboration between the Centre for Public Policy & Governance (CPPG), Forman Christian College University (FCCU) and the GIZ Support to Local Governance (LoGo) programme to gather constructive insights from the implementation of the Punjab Local Government Act (PLGA) 2013 to identify issues and recommend changes for the implementation of the PLGA 2019.

The Punjab Assembly passed PLGA 2019 on 30th April as part of its reforms to empower local governments by devolving more functions to the local level. As the government moves towards the implementation phase of the new legislation, CPPG intends to facilitate a dialogue between key stakeholders of the local government system to identify constraints to functionality, and bring those concerns to the attention of policy makers.

A series of consultative meetings have been planned by the CPPG as part of this initiative. The first consultation was held on 1st and 2nd July 2019, and focused on a critical analysis of PLGA 2013 and its subsequent amendments through the field experiences of local government officers. Public officials working at the provincial and local level across Punjab were invited to participate. Some representatives of civil society organizations (CSOs), of the business community, and of academia were also part of this dialogue to gain a well-rounded perspective.

A total of five sessions constituted the first workshop. Each session was dedicated to examining the impact of the new legislation on the local government system, including the democratic space for representation provided to women, minorities, and the youth.
The Centre for Public Policy and Governance (CPPG) conducted the first consultative meeting of the ‘Consultations and Research on Local Governance in the Punjab’ project on the 1st and 2nd of July, 2019. The participants for the meeting were Local Government and Community Development officers from different districts of Punjab. They were invited to the consultation to initiate a dialogue and to utilize their rich experience to implement the recently introduced PLGA 2019 in a more efficient and effective way.

Professor Dr. Saeed Shafqat, Founding Director, CPPG, began the meeting by explaining the need to integrate lessons learnt by the local government officers in service delivery into policy formulation. Additional Secretary, Shahid Zaman Lak explained the key aspects of local governments under PLGA 2019 and asked the participants to be candid during the consultation and give their sincere opinions as they are the most vital resource of the department. Mr. Rohdewohld Rainer, team leader strengthening local governance, GIZ Support to Local Governance Programme in Pakistan, emphasized the importance of local governance for Pakistan’s development and GIZ’s commitment to improving it in Punjab and Pakistan.

The first session of the consultation focused on a critical assessment of local government ordinances/acts with special reference to PLGA 2013. Moderated by Dr. Raja M. Ali Saleem, the discussion highlighted the positive and negative regulations of previous laws through the field experiences of local government officers.

The second session debated the impact of the power dynamics between elected officials and officers of the local government departments. Led by Mr. Raheem ul Haque, the session generated the consensus that a clear definition of the roles and responsibilities of local government officers during the PLGA 2019 implementation process is required to improve coordination and, thus, service delivery.

Dr. Imdad Hussain conducted the third session, which compared the efficacy of various accountability mechanisms in regulating and improving local government systems. Most of the participants opined that provincial governments’ accountability mechanisms hinder effective local governance and called for clear job descriptions and roles before further strengthening the accountability process under PLGA 2019.

The fourth session highlighted the concerns about gender representation in local governance under PLGA 2013, and analyzed the space for democratic inclusion for women under PLGA 2019. The gender specialists and the participants agreed that there was need to increase the participation of women in the PLGA 2019.

The last session analyzed the provisions for representation of minority groups and the youth under PLGA 2013 and PLGA 2019. The need of increased participation, defined responsibilities, and capacity building was recognized to create a more inclusive system of governance through PLGA 2019.

A questionnaire-based survey was conducted at the start of the workshop pertaining to the strengths and weaknesses of the various ordinances/acts of local government in Punjab. The survey ensured anonymity in order to encourage the participants to express opinions free from political and official affiliations. The questionnaire consisted of nineteen questions, and was instrumental in recording the insights of each participant at the consultation.

Key findings of the first consultative meeting included participants’ acknowledgement of a lack of in depth understanding of PLGA 2013 and PLGA 2019. The session brought to attention the officers’ demand for better definition of their roles and responsibilities, increased administrative and financial autonomy of local government, transparent accountability mechanisms, and facilitation of increased representation of women, religious minorities, and the youth in local government systems.

In light of the discussions and analyses during the consultation, following are recommendations:

• Frequent and comprehensive training workshops may be conducted to apprise local government officers about the PLGA 2019 before it becomes operational.
• Departmental officials were largely overlooked during the making of the PLGA 2019. They may be given a stronger role while planning the implementation of the PLGA 2019.
• Detailed and unambiguous job descriptions, highlighting the division of duties between the elected officials and different cadres of bureaucracy be laid down before the implementation process in order to minimize disagreements, delays, ineffectiveness, and inefficiency.
• Capacity building of the representatives of marginalized groups (women, youth, workers, & peasants), provided reserved seats under the PLGA 2019, may be planned as it is essential for their effectiveness and subsequent uplifting of these marginalized groups.
• Without a clear career progression path for every cadre of the local government bureaucracy, staff motivation will remain low. The LG & CDD may focus on career planning of officials that do not belong to CSP and PCS.
• Although it will require amendment in the laws, the increase in the minimum age limit for participation in elections and selection of the name “panchayat” for the lowest tier may be reviewed and rescinded.
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<th>Acronym</th>
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<tr>
<td>CPPG</td>
<td>Centre for Public Policy and Governance</td>
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<td>CSP</td>
<td>Civil Services of Pakistan</td>
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<td>DC</td>
<td>Deputy Commissioner</td>
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<td>FCC</td>
<td>Forman Christian College</td>
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<td>GIZ</td>
<td>Deutsche Gesellschaft für Internationale Zusammenarbeit</td>
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<td>KP</td>
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<td>LGO</td>
<td>Local Government Ordinance</td>
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<td>LoGo</td>
<td>Support to Local Governance</td>
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<td>MC</td>
<td>Municipal Committee</td>
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<td>MNA</td>
<td>Member National Assembly</td>
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<td>MPA</td>
<td>Member Provincial Assembly</td>
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<td>Provincial Civil Service</td>
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<td>Punjab Local Government Act</td>
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The first consultative meeting organized by GIZ and the Centre for Public Policy and Governance (CPPG) was held at CPPG, Forman Christian College University on the 1st and 2nd of July, 2019. Local government officers from across Punjab participated in the two-day workshop. This consultation focused on facilitating a dialogue between local government officers and other stakeholders to critically analyze lessons that can be learnt from the implementation of PLGA 2013 for better implementation of PLGA 2019.

Dr. Saeed Shafqat opened the session with an introduction to the tremendous work done by the GIZ to support development in Pakistan. The collaboration between GIZ and CPPG was highlighted as an attempt to bridge the gap between policy formulation and on-the-ground primary research to improve local governance in Pakistan. Dr. Shafqat highlighted some of the positive and negative aspects of the PLGA 2019 but he stressed that even a well-formulated law cannot be successfully implemented without the sustained involvement and support of the local government officers. He identified some of the key aspects that would be addressed during the consultative meeting. These included: the feasibility of establishing local governments through the direct election system and its acceptance by the general public; the operative relationship between the elected public officials and bureaucracy; the revival of political parties at the local level because of the proportional representation method, proposed in the new law; challenges faced by women and minority groups while participating in local governance; and the integration of local governance with the sustainable development goals (SDGs).

Mr. Rohdewohld Rainer, the team leader strengthening local governance of the GIZ Support to Local Governance Programme (LoGo) spoke of the main areas of LoGo’s work in Pakistan: participatory development planning; training and capacity development; institutional strengthening; operationalization of the new local government system. He emphasized the importance of local governance for Pakistan’s development and called for critical analysis of the PLGA 2019 and coming up of suggestions for its efficient and effective implementation. He expressed the hope that the consultative meeting would yield empirical observations from the experienced participants that would assist in combining ground realities with the policy making process.

Mr. Shahid Zaman Lak, Additional Secretary Local Government & Community Development Department, acknowledged GIZ’s assistance in improving the local government system in Punjab. He also appreciated the support lent by the CPPG in bringing together the public face of government at the local level, the local government officers, and the academia to glean lessons from the implementation of previous laws for better governance under PLGA 2019. He was hopeful that the consultative meetings in an academic setting would allow genuine inputs from the officers, who are otherwise not ready to speak in administrative meetings. Referring to PLGA 2019 as a ‘sea change in politics’, he delineated the main components of the proposed law, and pointed out the clauses that set it apart from the previous local government laws.

Looking closer at the key issues earlier mentioned by Dr. Shafqat, Mr. Lak discussed the feasibility of direct elections in Pakistan, and anticipated eradication of ‘elite capture’ from local politics through PLGA 2019. He acknowledged that the initial tenures might not be able to implement the vision of this Act, but expressed confidence that ultimately local governments would gain a collective wisdom and local interest would be given priority over individual agendas. Like Dr. Shafqat and Mr. Rohdewohld, he too stressed that the participants, in their capacity as local government officers, were a key resource in understanding the strengths and weaknesses of the previous laws.

The introductory session concluded with Dr. Saleem, Associate Professor, CPPG and Project Coordinator giving a brief introduction of the project and laying out the agenda for the two-day workshop.
Dr. Raja M. Ali Saleem, Associate Professor, CPPG, traced the history of local government laws in Pakistan. Since independence from British in 1947, five laws have been promulgated to regulate local governance in Pakistan: Basic Democracies Order, 1959; Local Government Ordinance (LGO), 1979; LGO 2001; Punjab Local Government Act (PLGA), 2013; and PLGA 2019. Only the latter two Acts have been passed by democratically elected assemblies; the former three laws were imposed by the orders of the martial law administrators. Administrative autonomy, financial autonomy, inclusion of the marginalized, and accountability were the issues that, according to Dr. Saleem, have bedeviled local governance in Pakistan. While the Basic Democracies system was hierarchical, legitimized bureaucratic dominance and served as an electoral college for provincial assemblies, national assembly and the President, the LGO promulgated in 1979 promoted rural-urban divide and depoliticization. The LGO 2001 was by far the most ambitious attempt to devolve power to the local level in Pakistan. It, for the first time in the history of Pakistan, gave more power to elected officials than the bureaucrats at the local level.

**Local Government Ordinance 2001**

The salient features of LGO 2001, appreciated by the officers during the debate, were the devolution of power to the grass-roots level and the increased participation of the people through a new set of bodies, such as Citizen Community Boards, Provincial Finance Commissions, District Monitoring Committees, and Musalihat-e-Anjumans. The reduction of voting age to 18 years and the increase in the percentage of reserved seats for women, minorities, workers and peasants was also highlighted as a step in the right direction. The curtailed authority of bureaucrats was considered conducive for better local development.

Based on their experience, many officers stated that LGO 2001 could not be implemented in its true spirit. Absence of efficient accountability mechanism, abuse of power by the elected members, and the misuse of financial resources by nazims were some of the criticisms made against LGO 2001. The dominant control of the federal government was also pointed out as a hindrance towards its proper implementation.

“The LGO 2001 provided representation rights to grass-root level. General public accepted it as it directly changed the life of the people.”

**Punjab Local Government Act 2013**

Dr. Saleem termed the PLGA 2013 closer in spirit to the LGO 1979 than to the LGO 2001. It was the first local government act debated and passed by the Punjab provincial assembly and marked the return to power of the bureaucracy and the provincial government. Major portfolios, such as health and education, were taken away from the elected local governments. The provincial government controlled these portfolios through district health and education authorities. Compared to the LGO 2001, the reserved seats for women were decreased from 33% to between 10% and 20% at various levels, which seriously hampered the representation of women in local governance. According to the participants at the session, increased interference of the bureaucracy under PLGA 2013 has had a negative impact on service delivery. Another issue was the lack of clear job descriptions at the local level that resulted in continuous confusion and shifting of responsibilities. Centralization of power was also held responsible for ignorance of needs and wants at the local level.

“The worst component of PLGA 2013 was that elected members were made subservient to the provincial bureaucracy.”
While the participants approved of some of the measures, the PLGA 2013 was generally criticized as ‘weak’. Restricted financial and administrative authority of local governments was pinpointed as a cause of poor service delivery. Participants expressed dissatisfaction with the accountability provisions under the PLGA 2013, pinpointing evaluation procedures that were prone to individual biases.

### Punjab Local Government Act 2019

Direct elections are a significant change proposed in PLGA 2019. The majority of participants approved of direct elections of mayors. While many admitted a lack of knowledge concerning the proposed law, they were hopeful that more devolution of power to the local level would improve service delivery of local governments.

“The worst component of PLGA 2013 was that elected members were made subservient to the provincial bureaucracy.”

The establishment of tehsil councils was welcomed, although many participants were wary of the abolishment of district tier. The congregation was divided on the proposed idea of Village Panchayats (VP) and Neighbourhood Councils (NC). Reservations were expressed about successful monitoring of the numerous VPs and NCs. Some participants also commented on the political and social environment as a factor that may exclude the ordinary man from contesting elections. Urban bias through under representation of candidates from rural areas was voiced as a concern.

The discussion revealed that local government officers are hopeful of a constructive change in local governance through PLGA 2019. Participants stated that elected representatives will have better awareness about the issues of their constituencies, and will therefore be better equipped to resolve problems of local governance.

An anonymous questionnaire survey conducted during the session revealed that no local government officers were consulted during the policy formation for PLGA 2019. The main problem foreseen for the successful implementation of PLGA 2019 by the respondents was human resources and they recommended capacity building of the local governments. Lack of sufficient resources for infrastructure development and larger area of responsibility for mayors were also pointed out as potential pitfalls for the PLGA 2019.

This session was conducted by Mr. Raheem ul Haque, Senior Fellow, CPPG. The aim was to gain insights into the relationship between the elected local representatives and the local bureaucracy through the experiences of in-service government officers. Preliminary discussion with the participants established the general opinion that if local government is to be established as an independent tier of governance, it is imperative that a professional bureaucracy be in place to assist that tier.

In response to Mr. Raheem’s questions, it was learnt that local government officers consider themselves to be public servants and part of a departmental service. The session sought to understand the working dynamics between elected representatives and local government officers, particularly as the former shall wield more authority under PLGA 2019. The relationship could be collaborative, antagonistic or courteous, with one side accepting the supremacy of the other. Most of the officers were of the view that the relationship varies from person to person but generally, it is collaborative. Some elected officials and bureaucrats consider themselves potentates which makes interactions with them difficult and unnecessarily hampers the local governance. The main grievance of the officers regarding the elected representatives’ conduct was latter’s unlawful interference in the official business and asking for unlawful assistance to their constituents. However, regular day-to-day association, for most participants, were amiable and cooperative.

Undefined Roles and Responsibilities

The participants wanted to talk more about their interactions with other parts of bureaucracy. The overall consensus was that dealings and interfaces of local government officers with the federal bureaucrats (Civil Services of Pakistan (CSP) officers) and the provincial bureaucrats (part of the Punjab Civil Service (PCS) and Punjab Management Service (PMS)) are complicated due to ambiguity surrounding roles and responsibilities.

A participant pinpointed the ‘lack of communication during the budget making and planning processes’ as the initial hurdles to smooth collaborations with elected officials and the officers from the federal and provincial services. Other participants concurred that since budget approval is given at the ministerial level and decided by the top echelons of bureaucracy, many of the needs of local governments remain unmet and unanswered. According to them, the top-down fiscal distribution system hampers efficiency and causes resentment against the provincial government.

On the whole, participants stated that it was easier to work with the CSP officers than with those belonging to the PCS and PMS cadres. The shared perception was that the CSP officers have a better understanding of their administrative role and were ‘clear-headed’. A few participants expressed the opinion that the PSP officers are more attuned to the needs and requirements of local governments as they work in the same environment as local government officers. However, the majority felt that the PSP officers have begun to assume an air of superiority similar to that of the CSP officers while dealing with them.

Overburdened and Understaffed

A recurrent theme in this session was the overwhelming perception of being over-burdened and unappreciated amongst the local government officers. The participants voiced their grievance about the lack of respect accorded to local government institutions. It was revealed that although a provision for rewarding good performance with incentives and bonuses was made in PLGA 2013, it was never implemented.

“We are like clogs for the bureaucracy who are fixed in different places as need be. Other departments need manpower, and that is us.”

According to one participant, ‘the biggest problem is resources’. Local government officers related experiences of being tasked with responsibilities beyond their own capacity and the human and fiscal
resources at their disposal. They complained of having to work beyond their ‘mandate’. Monitoring the Ramazan bazars and Dengue fever campaigns were cited as examples of the tasks that were the responsibility of other departments but local government officials were required to supervise them.

“Local government officers are basically working according to the will of district administrations. But in the end, blame is placed on our officers while credit goes elsewhere.”

**Demand for Capacity Building Workshops**

The participants concurred that lack of clarity regarding job duties and responsibilities is the underlying reason that local government officers are burdened with additional tasks by bureaucrats. Comprehensive training about local government laws was highlighted as an essential tool to improving service delivery.

The mechanism of the annual performance review was pointed out by the participants as unreliable and fallible to personal biases. The lack of capacity building was another area of concern for participants. They argued that regular trainings became particularly important when a new law was introduced.

“We are not given proper training relevant to our duties. At the most, one day workshops are held after the promulgation of a new law, like in 2013, which are insufficient to understand rules and regulations.”

Many local government officers present at the session admitted that they did not ‘understand PLGA 2013 completely and do not comprehend PLGA 2019 either’. This was supported by data collected through a questionnaire-based survey conducted by CPPG in which participants clearly stated their lack of knowledge about the PLGA 2019. According to the respondents, local government officers were not involved in the formulation of the new Act. The survey revealed that the general public was also not engaged during the process of policy formation.

“A mechanism or agency is needed that can at least inform the local government officers about their duties, check how and where development funds have been used; and place responsibility on the concerned authority.”
This session focused on learning about the accountability measures in PLGA 2013, their effectiveness, and how they can be improved in PLGA 2019. Dr. Imdad Hussain, Assistant Professor, CPPG led the discussion.

Misappropriation of funds and favoritism in allocating projects were highlighted as two grave complaints against local government officers. Some of the participants contended that under the PLGA 2013, the Director General, Local Government and Community Development looks after at all issues related to accountability, including charges of bribery. Others, however, said that although the directorate was concerned with evaluations, it did not investigate bribery allegations as those come under the purview of departments such as the Anti-Corruption Establishment, Police, and National Accountability Bureau.

The participants acknowledged that there is a hierarchal system that oversees the process of accountability but its efficiency or inefficiency is dependent upon a number of factors.

Accountability through Media and Citizen’s portal

The role of mainstream media in holding local government officers accountable for civic problems was also debated. The participants related that while some of the news stories and reports by the media were based on good research, presented the issues in a neutral way and resulted in good feedback, however, there was a general trend of negative portrayal of local governance. According to them, such reporting does not impact the daily working of local government departments anymore.

“We are city planners, urban planners. We basically have to lay the plan for the entire city, make the master plan for a city; we are income generating officers; despite having university degrees, knowledge of law, report writing skills, yet we are not provided with the basic tools to run our offices with ease.”

The Citizens’ Complaint Portal was highlighted as an effective tool of accountability and quick resolution of civic problems. It was learnt that the local government officers have been assigned email IDs and receive complaints directly from the portal. The complaints are forwarded to the relevant department and update is requested. A before and after picture of the situation has to be provided. Even in areas outside the provincial capital of Lahore, complaints have to be resolved with a time period of four days. The officer has to get a satisfaction certificate from the complainant. The problem is considered to be resolved after this process has been completed. Thrice weekly meetings are conducted by the Deputy Commissioners to evaluate complaint resolutions. The participants were of the opinion that it was no longer possible for officers to ignore the complaints of citizens.

However, participants in the consultative meeting recorded their grievance that local government officers have to resolve complaints registered on the portal even if the issue is not part of their portfolio. Public reaction was discussed as a channel of accountability that makes local government employees complete tasks beyond their mandated duties.

“We are sharing our grievances and the challenges that local government officers face so that you might forward our suggestions, and better provisions are made in the 2019 Act regarding roles and responsibilities. Otherwise we will continue to do work of others and also shoulder blame for mismanagement by the general public.”

Accountability Mechanisms in PLGA 2019

Discussion on the comparisons of provisions for accountability in previous laws was stunted by the participants’ lack of knowledge concerning the PLGA 2019. Most participants were aware of the
establishment of an Inspectorate under the PLGA 2019, which they considered similar to the Directorate under the PLGA 2013.

It was brought to the participants’ notice that in comparison to the PLGA 2013, three mechanisms for accountability of local government officers have been included in the PLGA 2019: inspection, monitoring, and review. The chief officer/mayor would have the responsibility of monitoring and reviewing all the records. Inspection reports would be presented in the provincial assembly. Oversight by the government was introduced in the new law. Another new provision gave the right to any individual to challenge any resolution, record, contract, bylaw, and decision of local governments in front of the provincial assembly. An officer, with judicial powers under the Code of Civil Procedures 1908, will be designated to oversee the procedure.

The provincial government has also been accorded the authority to hold the local government accountable. It will be allowed to suspend a particular provision if it considers the bylaw, project, decision, instruction or resolution to be against the spirit of the local government law, detrimental to public interest, results in wastage of funds, or leads to a breach of public peace. The provincial government retains the power to suspend the mayor and council if it deems the action inappropriate. A mayor may also be suspended for malpractice, if three-fourths of the council votes against him/her. Other measures include stoppage of provincial transfers and levying a fine on the local council. The head of the local government may be removed and the provincial government may appoint its own officer who will have all the powers of the mayor and council. The Election Commission will then be bound to call fresh elections in 120 days.

Criticism of Imperious Provincial Oversight

The participants were of the view that oversight by the provincial government has hindered efficient service delivery as well as genuine accountability of local governments. There was a consensus that the provincial government was given control of the accountability mechanisms in the PLGA 2013, a power that was sometimes misused to discipline local government officers when their work interfered with the larger development plan of the provincial government. They expressed apprehensions against the continuance of provincial oversight in the PLGA 2019.

As in the previous session, the absence of departmental training and undefined duties were identified as obstacles to understanding accountability regulations and procedures.

“When the project is proposed without taking local government feedback, ground realities are ignored. But when the project fails, the local government officer is held responsible.”

The session concluded with the some participants’ observation that before talking about accountability mechanisms, it is important to bestow administrative autonomy on the elected representatives and local government officers.
Ms. Summiya Yousaf, a gender activist and consultant, moderated the session on gender concerns in relation to PLGA 2019. Mr. Zahid Islam and Ms. Bushra Khaliq, both experts on the topic, were invited by the CPPG to address the local government officers.

The session started with an in-depth analysis of proportional representation in PLGA 2019 by Mr. Zahid Islam. He commented upon some provisions of the law that endangered the participation of women and minority groups in local governance under PLGA 2013.

Commenting upon the space provided for representation of women and minorities, Mr. Islam noted that PLGA 2019 states that women, non-Muslims, and people from minority groups would be able to contest elections from reserved as well as general seats. However, the reduction in the number of reserved seats was a worrisome change. It was observed that while more than 2000 female councilors were appointed through PLGA 2013, the number has been capped at 90 under the PLGA 2019. In addition, there will no longer be any reserved seats for the youth or technocrats. This was highlighted as a step back for balanced representation and representation of the marginalized groups. The participants then gave some examples of how female councilors were not allowed to fully participate because of social restrictions on their movement and their interactions with men that are not from their families. They also pointed out how women gradually learned to contribute as they gained experience.

The second point of discussion was the change in the age limit of eligible candidates laid down in PLGA 2019 as compared to PLGA 2013. The minimum age for contesting elections has been raised from 21 years to 25 years. Mr. Islam observed that this amendment would exclude population between the ages of 18 and 25, both male and female, from contesting elections. He criticized the amendment, and stated that by excluding a large chunk of youth from local governance, the government has stopped an affirmative action for active citizen engagement. Most of the officers that participated in the discussion agreed that although youth’s contribution to the local governance was not much, they do enrich the debates and highlight the concerns of the younger population, such as neighborhood playgrounds, sports in schools, unemployment, lack of entertainment opportunities, etc.

Mr. Islam brought attention to labeling village councils as ‘panchayat.’ He opined that the word has negative connotations and ignores the fact that the superior judiciary (in High Courts and the Supreme Court) has already declared panchayats to be a menace, unconstitutional parallel judiciary and kangaroo courts. He referred to the petition filed by the National Commission on the Status of Women and others before the Supreme Court in 2012 that asked for declaring the panchayats illegal, unlawful, inhumane and grossly violative of the fundamental rights given in the Constitution. The Supreme Court passed a decision in favor of the petition in 2018.

Ms. Khaliq concurred, and pointed out that terming the village councils as panchayats brings to mind a primitive, patriarchal, closed, elitist, tradition-bound institution that has, for centuries, regularly passed judgments against the weak and underprivileged in society, whether they are class-based or gender-based. She further said that research has shown panchayats to have traditionally compromised human rights and human values of minority groups. Speaking on behalf of women empowerment organizations, she laid down the demand that the title of the village unit be changed. Although some participants agreed, a few vigorously defended the name panchayat and argued that while historically panchayats have been severely discriminatory, the panchayats created under the 2019 Act would be completely different as they were established under clear provisions of the law. They argued that the name panchayat should be retained as
it was part of the indigenous history and, thus, would make the new panchayats more acceptable to the people. They also pointed out that India has also retained the name of panchayat for similar type of local councils.

**Comparison of the Women Quota under Various Local Government Legislations**

Ms. Khaliq carried the discussion forward by comparing various laws of local governance to critically analyze whether any democratic space has been created for women and how a better representation could be ensured in the future. The participants of the consultative meeting were informed that under LGO 2001, 33% of reserved seats were provisioned for women. Ms. Khaliq recalled that 60,000 women in Pakistan were able to directly participate in the model of governance at their doorsteps, the union councils. According to her, PLGA 2013 was a disappointment regarding female representation. Under the changes introduced through PLGA 2013, women had a reduced ratio of 9-13% for representation in union councils, metropolitan corporations, and municipal corporations/committees. She shared the findings of a study, which revealed that the participation of women as youth also suffered due to regulations laid down in PLGA 2013. The findings showed that due to a lack of social capital, unconducive political environment, and insufficient financial resources, women were unable to partake in the elections on the general seats. Men dominated the reserved seats quota for minority groups as well. Expounding upon PLGA 2019, Ms. Khaliq pointed out that a maximum of 16-17% representation of women has been designated but there is no minimum which might reduce seats for women even further. She recorded a demand for an increase in the representation of women through reserved seats.

**Lack of Elucidation of Female Representatives’ Role**

The session’s attention was brought to the legal ambiguity concerning women’s role in local governance. Ms. Khaliq stated that as long as the roles and responsibilities of women are not given legal coverage in the law, their role would continue to be undermined. It was suggested that in PLGA 2019, inclusion of female representatives must be ensured in the two structures established according to the Family Laws to stem exploitative practices such as child marriages and non-registration of female births. The discussion among participants afterwards agreed with the need of more women representation and the need for a more structured role for which women are also trained.

“It was difficult to ascertain the roles assigned to female councilors in PLGA 2013. Image building by showing the mere presence of women in government sector is not sufficient until their roles in governance are strengthened. It should be addressed through the system.”

The questionnaire survey revealed that the majority of participants at the consultative meeting are of the opinion that PLGA 2019 will be better than PLGA 2013 in ensuring women participation in local governance. Two of the participants believed that the provisions in PLGA 2013 were more supportive for women than those in PLGA 2019. One person stated that the situation of gender representation would remain the same under PLGA 2019. A surprisingly large number of respondents chose to leave the question unanswered. Two of the participants admitted to a lack of knowledge regarding gender concerns in PLGA 2019.
The last session was moderated by Mr. Iqbal Butt who has been doing research, writing articles and advising governments on youth affairs and youth policy for around twenty years. Mr. Peter Jacob, an expert on minority affairs in Pakistan, opened the session on local government laws and the provisions made for the representation of minority groups and the youth. He opined that the representation of religious minorities should not be viewed in isolation, as religious freedom and minority representation are connected and correlated.

Mr. Jacob contended that the revival of joint electorates and the abolishment of separate electorates have been the most appreciable measure so far in facilitating the participation of minority groups in local governance. He reviewed the state of minority representation over the past two decades, and observed that joint electorates improved equality of citizenship for minorities, as candidates and as voters.

### Minority Representation under the PLGA 2019 as compared to the PLGA 2013

The ward system under the PLGA 2013 was highlighted for expanding the scope of representation for religious minorities. The potential of the PLGA 2019 to increase broad based participation in spite of an overall reduction in seats was also discussed. Examining the socio-economic disparity and political exclusion, Mr. Jacob said that the PLGA 2019 seems to support socio-economic inclusion. However, he criticized the introduction of proportional representation system in PLGA 2019 as, according to him, it would exclude minorities in areas where they were relatively less in numbers but where giving them a voice was imperative. The participants debated the issue of minority representation with respect to separate and joint electorates. Many argued that gradually minorities were getting more space to express themselves, although there was disagreement about the effect of the 2013 Act on minority representation. An important point concerning the definition of minority in the laws was raised at the consultative meeting. It was suggested by some participants that ethnic, social, sexual and gender minorities may be given representation, along with the religious minorities. Others countered and argued that the suggestion was too divisive.

### Hindrances to Inclusive Representation of Minority Groups

While comparing the LGO 2001, the PLGA 2013, and the PLGA 2019, Mr. Jacob observed that elite capture and manipulation becomes easier where representation of minorities is concerned, and has resulted in superficial representation in the past. He identified lower educational levels amongst religious minority communities as one of the limiting factors affecting more representation at the decision-making levels. According to him, improving the educational, economic, social, and health indicators for marginalized groups would be essential to ensuring their meaningful participation in local governance. Participants concurred that disparity in access to educational opportunities is a huge limitation, and requires proactive rectification.

Dr. Shafqat carried the discussion forward and agreed that the quality of citizenship is interlinked with the prevalent socio-cultural environment. He observed that until our society is engaged in a serious debate on social inclusion, it would be difficult to achieve change through laws. The importance of ‘ownership’ of local governance by all the stakeholders was emphasized.

The majority of respondents of the questionnaire expressed hope that PLGA 2019 will offer better representation to minority groups than PLGA 2013. A significant number of participants, though, did not comment on the issue.

### Provisions for the Participation of Youth in the PLGA 2019

Mr. Iqbal Butt moderated the discussion on the representation opportunities offered to the youth in local governance laws. Youth, identified in Pakistan as people between the ages of 18-29 years, have so far been
represented in local government through a reserved youth quota. He highlighted the huge number of young people who became youth councilors under the PLGA 2013 and questioned the arbitrary change in eligibility that was set at 21-25 years of age in the PLGA 2019.

### Youth Bulge as Demographic Dividend

The significance of the current youth bulge in Pakistan’s population was discussed in reference to its potential contribution to the Sustainable Development Goals (SDGs). Dr. Saleem explained the concept of demographic dividend and commented on the possibility of Pakistan using it to achieve a higher growth trajectory and its developmental goals. The participants agreed that involving the youth in constructive activities and providing them with employment opportunities would transform them into better-engaged citizens who can lead the country towards future progress. There was a consensus that political representation of the youth is required to understand their perspective. It was observed that legislative processes in the country have hindered active and meaningful participation of the youth in local governance by leaving the roles of youth councilors undefined.

### Award of Certificates

The first consultative meeting of the Consultations and Research on Local Governance in the Punjab project ended with the participating local government officers, civil society members, and academicians expressing appreciation for an engaging and informative workshop. Mr. Shahid Zaman Lak, Additional Secretary Local Government & Community Development Department, graced the concluding session and gave away the certificates and awards to the participants. He congratulated the GIZ and the CPPG for holding such an informative and interactive session and looked forward to receiving the report and implementing some of the suggestions given.
## List of Participants

<table>
<thead>
<tr>
<th>Sr. No.</th>
<th>Participant’s Name</th>
<th>Designation</th>
<th>Place of posting</th>
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<tbody>
<tr>
<td>1</td>
<td>Shahid Zaman Lak</td>
<td>Additional Secretary, LG &amp; CDD</td>
<td>Lahore</td>
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<tr>
<td>2</td>
<td>Gulshan Noreen</td>
<td>Chief Officer</td>
<td>Deputy Commissioner (DC) Kasur</td>
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<td>3</td>
<td>Amir Afzal</td>
<td>Municipal Officer (R)</td>
<td>Municipal Committee (MC) Sheikhupura</td>
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<td>4</td>
<td>Ch. Muhammad Akram</td>
<td>Chief Officer</td>
<td>MC Sangla Hill</td>
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<tr>
<td>5</td>
<td>Kamran Khan</td>
<td>District Officer (MR)</td>
<td>DC Rawalpindi</td>
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<tr>
<td>6</td>
<td>Inam ur Rehim</td>
<td>Chief Officer</td>
<td>MC Jhelum</td>
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<tr>
<td>7</td>
<td>Usman Saeed</td>
<td>Chief Officer</td>
<td>MC Nowshera</td>
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<tr>
<td>8</td>
<td>Rana M. Jamil Akhtar</td>
<td>Chief Officer</td>
<td>DC Sargodha</td>
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<td>9</td>
<td>Faisal Shahzad</td>
<td>Chief Officer</td>
<td>DC Okara</td>
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<tr>
<td>10</td>
<td>Zia Ullah Tarar</td>
<td>Municipal Officer (S)</td>
<td>Municipal Corporation, Rawalpindi</td>
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<tr>
<td>11</td>
<td>Liaquat Ali Ansari</td>
<td>Municipal Officer (S)</td>
<td>Municipal Corporation, Gujranwala</td>
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<tr>
<td>12</td>
<td>Usman Javed Saroya</td>
<td>Chief Officer</td>
<td>MC Kot Momin</td>
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<td>13</td>
<td>Sohail Ashraf</td>
<td>Chief Officer</td>
<td>MC Alipur</td>
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<tr>
<td>14</td>
<td>Ali Abad Bukhari</td>
<td>Chief Deputy Officer</td>
<td>Metropolitan Corporation Lahore (MCL)</td>
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<tr>
<td>15</td>
<td>Fatima Aslam</td>
<td>Assistant Metropolitan Officer (Tax)</td>
<td>MCL</td>
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<tr>
<td>16</td>
<td>Sidra Zafar</td>
<td>Zonal Officer ®</td>
<td>Shalamar Zone, MCL</td>
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<tr>
<td>17</td>
<td>Muhammad Tahir</td>
<td>Zonal Officer (Infra) data</td>
<td>Ganjbaksh Zone, MCL</td>
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<tr>
<td>18</td>
<td>Abdul Qayyum Khan</td>
<td>Zonal Officer (Infra) Nishtar Zone</td>
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<tr>
<td>19</td>
<td>Sajjad Ahmad</td>
<td>Zonal Officer (Finance)</td>
<td>Nishtar Zone, MCL</td>
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<tr>
<td>20</td>
<td>Umme Laila Naqvi</td>
<td>Directorate General (I&amp;M)</td>
<td>LG&amp;CDD</td>
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<tr>
<td>21</td>
<td>Muhammad Mustafa Moazzam</td>
<td>Assistant Municipal Architect</td>
<td>MCL</td>
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<tr>
<td>22</td>
<td>Fareeha Amin</td>
<td>Assistant Zonal Officer (Planning)</td>
<td>MCL</td>
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<td>23</td>
<td>Muhammad Zafar Qureshi</td>
<td>Deputy Chief Officer</td>
<td>Gulberg Zone MCL</td>
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<td>24</td>
<td>Syeda Qurat ul ain</td>
<td>Municipal Officer (P)</td>
<td>MC Kasur</td>
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<tr>
<td>25</td>
<td>Ayesha Bushra</td>
<td>Municipal Officer (P)</td>
<td>MC Muridke</td>
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<td>Sr. No.</td>
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<td>26</td>
<td>Maryam Siddique</td>
<td>Municipal Officer (S)</td>
<td>MC Daska</td>
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<tr>
<td>27</td>
<td>Mujahid Hussain</td>
<td>Municipal Officer (P)</td>
<td>MC Mankera</td>
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<td>28</td>
<td>Qaswar Abbas</td>
<td>Municipal Officer (P)</td>
<td>MC Kot Addu</td>
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<tr>
<td>29</td>
<td>Rainer Rohdewohld</td>
<td>Team Leader, Strengthening Local Governance, GIZ</td>
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<td>30</td>
<td>Mouzzam Ali Janjua</td>
<td>Advisor, Strengthening Local Governance, GIZ</td>
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<tr>
<td>31</td>
<td>Christian Seiler</td>
<td>Advisor, Strengthening Local Governance, GIZ</td>
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<tr>
<td>32</td>
<td>Sanam Irshad</td>
<td>Management Assistant, GIZ</td>
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<tr>
<td>33</td>
<td>Mary Gill</td>
<td>Human Rights Lawyer and former member, Punjab Provincial Assembly</td>
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<tr>
<td>34</td>
<td>Peter Jacob</td>
<td>Executive Director, Centre for Social Justice</td>
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<td>35</td>
<td>Zahid Islam</td>
<td>Executive Director, SANGAT Development Foundation</td>
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<tr>
<td>36</td>
<td>Bushra Khaliq</td>
<td>Executive Director, Women in Struggle for Empowerment</td>
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LESSONS LEARNT FROM THE IMPLEMENTATION OF PLGA 2013

Consultations and Research on Local Governance in the Punjab Project

SECOND CONSULTATION REPORT

26
The Centre for Public Policy and Governance (CPPG) conducted the second consultative meeting of the ‘Consultations and Research on Local Governance in the Punjab’ project on the 18th and 19th of September, 2019.

Almost all of the participants at the second consultation were deposed elected representatives of local governments from various districts of Punjab. As a counterpoint to the focus of the first consultation, twenty former elected representatives engaged in candid discussions with academicians and civil society members about the constraints elected local government officials representatives during their around one and a half year tenure. The participation of mayors, deputy mayors, chairmen, and councilors of district and union councils provided a comprehensive insight into the perspective of the local politicians.

Dr. Saeed Shafqat, Founding Director and Professor CPPG, welcomed the participants and highlighted the key areas of concern for reform and for the better implementation of local government laws in Punjab. The participants were asked to identify regulations under previous local government laws that had improved local governance. Financial autonomy accorded to local governments and the need for district-level civil service cadres were two of the issues pinpointed for further discussion. Mr. Sanjeev Pokharel, Head of Program: Support to Local Governance (LoGo) of Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ), reemphasized Dr. Shafqat’s stance that dialogue between stakeholders was the key to overcoming hurdles to effective local service delivery. Mr. Shahid Zaman Lak, Additional Secretary of the Local Government & Community Development Department, Punjab (LG & CDD), stated that the PLGA 2019 was a “living document” that would continue to evolve in order to achieve the objective of empowering local governments. He urged the participants to rise beyond political affiliations and recommend improvements in the PLGA 2019 for better governance at the local level in Punjab. The session ended with Dr. Raja M. Ali Saleem, Associate Professor CPPG and Project Coordinator, giving a brief overview of the project.

The first session of the consultation deliberated upon the power dynamics between provincial and local governments in Punjab. Moderated by Mr. Ahmad Iqbal Chaudhary, former Chairman of District Council, Narowal, the session revealed deep-seated resentment amongst the elected representatives towards provincial interference in general and the dismissal of local governments in particular. Control over fund disbursement was highlighted as the main cause of friction between the two tiers of government.

Mr. Raheem ul Haq, Senior Research Fellow at the CPPG, moderated the second session which focused on the working relationship of elected representatives with the bureaucracy. The session saw a continuation of the discussion on provincial interference in functions of local governments as bureaucracy came out as the principal instrument of provincial interference. The elected representatives identified political clout as the only leverage that was effective in gaining approval of the bureaucracy for local government projects.

Accountability of local governments was the topic under discussion during the third session. Moderated by Dr. Imdad Hussain, Assistant Professor CPPG, the session heard about the flaws in the mechanisms of accountability available for evaluating the performance of local governments. Former elected representatives voiced reservations about the accountability mechanisms adopted by the provincial government. A lack of clear demarcation between the domains of provincial and local government departments was highlighted as a stumbling block for transparent and impartial accountability.

The fourth session, moderated by Ms. Mary Gill, a human rights activist and former member of the provincial assembly, was dedicated to understanding the challenges to fair representation of minority groups and the youth. One of the key points of discussion was the need of reserved seats for the minorities.

The participants, particularly those representing the minorities, were asked to share their perspectives on the feasibility of open seat elections for all.

The role of elected women representatives in local governments was the topic under discussion during the last session of the consultation. Ms. Summaiya Yousaf, gender specialist, moderated the session. Ms. Umm-e-Laila Azhar, women rights activist and social worker, traced the history of female participation in
the electoral process of local governments. The discussion on meaningful participation of female elected representatives revealed a consensus amongst those present about the importance of acknowledging the cultural and social context of a society before laws were promulgated.

The second consultation brought to attention the continued friction between the provincial and local government tiers due to increased provincial oversight in matters of local governance. The former elected representatives voiced the need for better definition of roles and responsibilities of local governments, enhanced financial autonomy, transparency in accountability processes, and increase in quotas for women, youth, and minority groups.

In light of the insightful discussions over the two-day consultation, following are recommendations:

1. Local governments should be allowed to complete their mandated tenures in order to strengthen the democratic process.
2. The tenure of local governments should be aligned with the tenures of the federal and provincial governments to increase the possibility of completion of their tenures.
3. The financial and administrative oversight by the provincial government should be rationalized and local governments may be given more control over fund disbursement for the local development projects.
4. A district-level civil service cadre be established to minimize the interference of provincial bureaucracy in matters of local governance.
5. The reduction in reserved quotas for under-represented groups be reviewed and increased to the level of LGO 2001 to achieve inclusive governance at the local level.
6. Women, youth, and minority representatives be given well-defined portfolios and allocated funds to ensure their meaningful participation and contribution to local governance.
7. It was recommended that capacity building measures should be made an integral component of the governance process to truly utilize the potential of all members, particularly reserved seat members, for an effective and efficient local government system.
The 2nd consultative meeting under the project ‘Consultations and Research on Local Governance in the Punjab’ was held at the Centre for Public Policy and Governance (CPPG), Forman Christian College University, on the 18th and 19th of September, 2019.

The second round of consultations provided a neutral academic platform to former elected representatives, local government officials, academicians, and civil society members in an effort to sustain the dialogue between key stakeholders of local governments in the province. A diverse microcosm of the local government system was represented through the participation of mayors, deputy mayors, chairmen of district and union councils, as well as members elected through reserved seats for women, youth, and minorities.

Dr. Saeed Shafqat, Founding Director and Professor CPPG, laid down the agenda of the consultation by pinpointing areas of concern for reform and better implementation of local government laws in Punjab. He posed some key questions that were later expanded upon in the following sessions. A key/salient/major concern of the consultation was to understand the apprehensions of the deposed elected representatives regarding the PLGA 2019. He questioned the participants whether any regulation under the PLGA 2013 had proven to be an effective tool of local governance, and should therefore be retained under the PLGA 2019. Those present at the workshop were requested to shed light on the extent of financial autonomy granted to local governments, and its impact on effective governance. Dr. Shafqat highlighted an unfortunate lack of ownership by the government in facilitating research on better practices for local governments. Touching upon an oft-neglected aspect of the local government-provincial-government/bureaucracy relationship, Dr. Shafqat asked the participants to share their perspectives on the need and reform of district-level public service cadre.

Mr. Sanjeev Pokharel, Head of Program: Support to Local Governance (LoGo) of Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ), reiterated Dr. Shafqat’s stance that dialogue between stakeholders is the key to resolving constraints to effective service delivery. The participants learnt about the contribution of GIZ in assisting governments to strengthen local governments in Pakistan as a whole, and particularly in Punjab. Mr. Pokharel shared the lessons learnt from the restructuring of the local government system in Nepal, and identified similar hurdles to successful implementation of local government laws in Pakistan. He stressed upon the importance of defining the functions and financial jurisdiction of provincial and local governments as a step towards local governance in the province. He cautioned against expecting overnight resolution to problems, and described the restructuring of local governments as a long and difficult process.

Mr. Shahid Zaman Lak, Additional Secretary of the Local Government & Community Development Department, Punjab (LG & CDD), presented the salient features of the recently introduced Punjab Local Government Act (PLGA) 2019 and made a persuasive case for the need to introduce reforms through said Act. A comparison between PLGA 2013 and PLGA 2019 initiated a charged debate on the merits and demerits of both Acts, a discussion that was carried on to the next day.

A disgruntled audience, whose governments had been hastily dissolved before the completion of their mandated tenures, responded to Mr. Lak’s delineation of PLGA 2019 with derision. Mr. Lak assured the participants that empowering local governments is the objective of the government, and that PLGA 2019 is a ‘living political document’ that shall continue to evolve through the recommendations put forth at the consultation. He requested those present at the meeting to put aside political affiliations and gauge the PLGA 2019 as neutral observers to suggest a way forward for better governance at the local level in Punjab.
The power dynamics between the provincial and the local governments were the focus of the first session. Mr. Ahmad Iqbal Chaudhary, former Chairman of District Council Narowal, moderated the session. The participants, the majority of whom were former elected representatives of local governments from across Punjab, responded positively to Mr. Ahmad and shared insights from their experiences as he belonged to their own political fraternity.

### Disrupted Tenures

The session revealed a resentment amongst the elected representatives regarding the interference of the provincial government in matters of local governance. The dismissal of elected local governments in 2019 was held up as a prime example of unconstitutional and unjustified interference by the provincial governments. The participants stressed the absence of constitutional safeguards for local governments as a stumbling block for the democratic process in the country. There was a consensus that the first step towards strengthening local governments was to ensure the completion of their tenure. The dismantling of local governments was termed “a politically motivated act that negates the legitimate democratic right of the people.” Colonel ® Mubashir Javed, deposed Lord Mayor of Lahore district, termed the PLGA 2019 as a “fabricated law by the current government” that signifies a “forceful imposition of provincial political will.” Numerous participants voiced agreement with Mr. Mushtaq Mughal, former deputy mayor Lahore, when he referred to the dismissal of local governments in May 2019 as a “brutal murder of the local government system.” It was suggested by the participants that the elections for both local and provincial governments should be held on the same day to lower the probability of disagreements between both governments and subsequent dismissal of the local governments. The merits and demerits of this recommendation were debated, with the lack of logistical and administrative capacity foreseen as a major hurdle in its implementation.

### Lack of Fiscal Autonomy

The elected representatives, like the local government officers in the first consultation, identified control over fund allocation as the main bone of contention between the two tiers of government. The participants expressed unanimous disapproval of the control of the provincial governments over the disbursement of funds. Representatives of various districts shared similar experiences of provincial oversight obstructing development schemes initiated at the local level. The lack of familiarity of provincial government officers with the local needs and issues was pinpointed as one of the basic impediments to fair allocation of funds. The elected representatives also highlighted the negative repercussions of undue provincial involvement in revenue generation schemes that fall under the jurisdiction of local governments.

### Provincial Oversight on Local Governance

Debate on the issue of separation of powers of local and provincial governments revealed that the majority of elected representatives thought local governments were most autonomous under the Local Government Ordinance of 2001. The role of MPAs and MNAs was criticized.

“How will better laws be formed if the MPAs, instead of focusing on their legislative role, continue to be engaged in carrying out the duties of the local governments?”- Nazir Ahmad Sawati, former Deputy Mayor (Reserved seat-Worker) Lahore

There was a consensus amongst all present that the 18th Amendment has been a critical step forward for strengthening local governments. The elected representatives were of the view that the main cause of a weak local government system in Punjab has not been the legislation, but the true implementation of the laws.
The elected representatives expressed apprehensions about the clauses laid down in the PLGA 2019 and stated that the Act will reverse the autonomy granted to local governments under previous laws, thereby consolidating provincial authority on local governance. The demarcation of roles under the PLGA 2019 was criticized as “arbitrary devolution of functions” that shall create overlapping of functions of local and provincial governments, leading to more friction between the two tiers.

The participants were primarily of the opinion that the local government system in the province continues to flounder because the MNAs, MPAs, and bureaucracy did not “allow” local ownership of the basic services. The former elected representatives contended that “the provincial governments consider the local governments a threat to their authority and power.” They did, however, admit that the lack of interest displayed by local government representatives in familiarizing themselves with PLGA rules and regulations compounded the problem.

The promulgation of the PLGA 2019 proved to be a sensitive issue for the former elected representatives who reiterated throughout the session that it was a law “formed in a vacuum” without consultation of key stakeholders. The participants dismissed the consultation in the Provincial Assembly’s Standing Committee as insufficient and negligible. The PLGA 2019 was labeled as an “experimental model of governance” by the participants who questioned the introduction of a new Act instead of making amendments in the existing the PLGA 2013.

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According to the former elected representatives, local governments have historically served as subsidiaries to the provincial government. The term “colonial mindset” was repeatedly used to describe the attitude of the provincial government towards local government representatives. The participants supported creation of a district service so that local governments would not require the support of provincial bureaucracy. They cited many examples of Health and Education department officials’ refusal to follow the directives of local governments.

The session concluded with the former elected representatives expressing agreement that a broad national consensus was required amongst political parties to strengthen local governments. The participants recommended a more just division of financial and administrative powers between provincial and local governments. The session highlighted the importance of the historical context of local governance in formulating laws and rules that were conducive to efficient and effective service delivery.

The power dynamics between the provincial and the local governments was the focus of the first session. Mr. Ahmad Iqbal Chaudhary, former Chairman of District Council Narowal, moderated the session. It was noted that the participants, the majority of whom were former elected representatives of local governments from across Punjab, were more responsive to sharing insights from their experiences when the moderator belonged to their political fraternity.
The discussion on the authority vested in the “elected” as compared to the “selected” (most of the officers posted as commissioners, district commissioners and assistant commissioners are selected through the Central Superior Services examination) government representatives revealed an overwhelming belief that the bureaucracy only “responds to power and influence.” The elected representatives identified political clout as the only leverage that was effective in gaining approval of the bureaucracy for local government projects. Most of them were of the opinion that if a mayor, deputy mayor or district council chairperson was close to the Chief Minister or a powerful Provincial or Federal Minister than he or she could get the bureaucracy to work for him or her. Otherwise, bureaucrats would delay, obstruct and impede.

Mr. Raheem ul Haq, Senior Research Fellow at CPPG, moderated the session on the working relationship of elected representatives with the bureaucracy. The second session saw a continuation of the discussion on provincial interference in functions of local governments as bureaucracy came out as the principal instrument of provincial interference.

Bureaucratic Interference and Obstruction

The session was a litany of grievances of elected representatives against the provincial bureaucracy. The participants at the consultative meeting were of the opinion that the prevalent bureaucratic system was a remnant of the erstwhile colonial system of governance in which local governments were always at a disadvantage. It was brought to the session’s attention that service delivery of local governments was hampered at every level by the bureaucracy. The government servants were more likely to listen to the deputy commissioner, the representative of the province at the district level, than to the mayor, deputy mayor or district council chairman.

“Politicians, even as elected representatives of the people, have to tread carefully so as not to antagonize the bureaucracy, who hold the power of the signatory.”- Aqeel Najam Hashmi, former Mayor Bahawalpur

The participants argued that the legislation did not allow the bureaucracy to interfere in every sphere of local governments, yet the bureaucracy brazenly continued to direct the implementation process. The Punjab Civil Administration Act, 2017 was mentioned as a legislation that binds the deputy and assistant commissioners to “assist” local governments. Public perception of politicians and elected local government officials as corrupt was highlighted as one reason for the undue involvement of the bureaucracy in matters of local governance. The participants stated that the perception of elected local government officers as “hand-picked candidates of undemocratic institutions” since Ayub Khan’s era was also responsible for distancing of politicians from local government reform. They emphasized that regular arbitrary dissolution of local governments and suspension of its laws increased the space for provincial interference through the office of the deputy commissioner or district coordination officer and should be curtailed by legislative safeguards.

The former elected representatives expressed approval for Section 87 of the PLGA 2013, related to the functions of Metropolitan and Municipal Corporations, which they believed restricted the provincial bureaucracy’s ability to intercede in the jurisdiction of corporations. On the other hand, the division of powers in the PLGA 2019 was criticized as a reversal of roles to the detriment of local governments in Punjab. The participants decried the PLGA 2019 as a step backwards towards the Basic Democracies Ordinance 1959 and LGO 1979, legislations that empowered the office of the commissioners, district commissioners and assistant commissioners.

Power Tussle between the ‘Elected’ and the ‘Selected’

The discussion on the authority vested in the “elected” as compared to the “selected” (most of the officers posted as commissioners, district commissioners and assistant commissioners are selected through the Central Superior Services examination) government representatives revealed an overwhelming belief that the bureaucracy only “responds to power and influence.” The elected representatives identified political clout as the only leverage that was effective in gaining approval of the bureaucracy for local government projects. Most of them were of the opinion that if a mayor, deputy mayor or district council chairperson was close to the Chief Minister or a powerful Provincial or Federal Minister than he or she could get the bureaucracy to work for him or her. Otherwise, bureaucrats would delay, obstruct and impede.
“Local governments are pressurized by the bureaucracy by withholding payments and exercising control over the disbursement of funds.” - Mehr Mahmood Ahmad, former Deputy Mayor Lahore

Representatives of the minorities described their having been elected on reserved seats as a “double misfortune.” Since they did not have any constituency, there was not much public pressure to show and they were also without the political support of the local MPA or MNA, so their demands and the needs of their communities were frequently brushed aside. They lamented the differential attitude of the bureaucracy towards them in its refusal to release funds and to provide logistical support. Those elected representatives, who had contested open elections, concurred with this assertion of minority representatives. As explained above, within the ranks of reserved representatives, only those with access to influential ministers received funding and No Objection Certificates for their projects.

“At every step, minorities are entangled in bureaucratic red tape. Representatives on reserved seats are not given even 1% of funds allocated by the Chief Minister.” Sunil Gulzar Khan, former member (Non-Muslim-reserved seat) Metropolitan Corporation Lahore

**Civil Service Reform**

While discussing mechanisms for improving the dynamics between the elected representatives and the bureaucrats, the session heard recommendations for civil service reform in the country to make bureaucrats more responsive to elected officials at all levels. The participants also recommended district service cadre so that the interests of the local bureaucracy and local elected officials were aligned and the provincial government could not use bureaucracy to impede local governments. The elected representatives stressed upon the need for a focused effort by the federation and provinces to increase the functional capacity of the local governments. It was suggested that there should capacity building of elected local officials so that they were able to contest decisions by the bureaucrats.
**SESSION 3: PERFORMANCE AND ACCOUNTABILITY: LESSONS LEARNT FROM THE PLGA 2013**

Dr. Imdad Hussain, Assistant Professor at CPPG, moderated the session on the mechanisms of accountability available for evaluating the performance of local governments. Former elected representatives voiced reservations about the accountability mechanisms adopted by the provincial government. Indeterminate roles and a lack of clear demarcation between the domains of provincial and local government departments were highlighted as a stumbling block for transparent and impartial accountability.

### Elections as an Accountability Mechanism

Most participants contended that frequent regular elections were the most efficient accountability mechanism for the elected representatives. They emphasized the transformative role of election campaigns in generating interest in developmental goals and party agendas. According to them, accessibility and service delivery were now paramount concerns of the citizenry and deciding factors for voters. Money, baradari and caste were not inconsequential but would not be enough to get someone re-elected. As in the previous session, participants were vocal in disapproving the pervasive and dominant role of federal and provincial bureaucracies.

> “Politicians are held accountable by the people through elections but where is the accountability of bureaucrats who obstruct our service delivery?” - Ahmad Ateeq Anwar, former Chairman District Council Sheikhpura

Besides vertical accountability by voters, the former elected representatives pointed out avenues of horizontal accountability. The council system, introduced under the PLGA 2013, according to them, served as an effective accountability mechanism to check the powers bestowed on the local executive. There was a broad consensus that the introduction of the closed list elections, under the PLGA 2019, would dilute this horizontal accountability and give rise to favoritism and uneven development of constituencies.

> “Democratic systems have a check and balance between the executive and the house. The PLGA 2019 will lead to an authoritarian system.” - Aamir Hayat Bhandara, former Chairman District Council Kasur

Dr. Imdad probed the participants about accountability of local leaders by their political parties. The participant acknowledged the Members elected on reserved seats raised the question of internal accountability mechanisms by highlighting intra party nepotism. They requested the elected representatives present at the session to raise the issue of internal accountability as well so deserving candidates receive due appreciation.

Several participants highlighted the significance of evaluation criteria. They accentuated the lack of clarity about functions and blamed the failure of numerous well-intentioned and eager young politicians on this ambiguity. The functions of the local governments as envisaged by the public in the tehsils and union councils were misaligned with what was written in the PLGA 2013. Provincial politicians and bureaucrats drew their powers from other laws and thus there were frequent skirmishes. The elected representatives at the consultation were in complete agreement with Mr. Aqeel Najam Hashmi, former Mayor Bahawalpur, when he described the quandary of undefined roles as a “constant dread of overstepping on someone else’s jurisdiction.” This vagueness and overlapping of functions was underscored repetitively as a major failing of the PLGA 2013 as well as the PLGA 2019 and criticized as a potential element of discord that could threaten the whole local government system.
While debating upon the expectations of the voters and public accountability, participants stressed the decisive impact of the financial allocations to the third tier. They opined that service delivery should only be gauged in comparison with the available finances. If budget was paltry and unrealistic, commitment of the elected official, electoral promises, and needs of the people amount to nothing.

“The there is no dearth of funds at the provincial level. They are unfortunately not released to facilitate the service delivery at the local level. How can things improve?”- Ahmad Iqbal Chaudhary, former Chairman District Council Narowal

The participants concurred with Mr. Rana Sikandar Hayat, former Chairman Kasur district, when he defined the bureaucracy as “a fraternity that protects its own.” Disillusioned after working with the provincial and federal bureaucracy, the elected representatives were of the view that apart from streamlining service delivery, the establishment of a district civil service cadre would provide impetus to service delivery at the local level by aligning the focus of local politicians and bureaucrats. The presence of a strong district civil service was viewed as a deterrent to the hegemonic authority of the provincial and federal bureaucracies.

Mr. Rana Atif Rauf, former Chairman, Municipal Committee Bahawalnagar, brought the session’s notice to the proclivity of international donors and bureaucrats to force international best practices and standardized solutions on local governments. The participants emphasized that each district has distinct demands and requirements that cannot be successfully resolved by uniform solutions. They lamented that this practice allows unaccountable bureaucrats and donors to make decisions, while the elected officials have to face the consequences.

“In the provincial bureaucratic mind, every district has the same needs. This thinking is reflected in the PLGA 2019. But one-size-fits-all policies cannot work.”- Rana Sikandar Hayat, former Chairman District Council Kasur

The participants also debated the feasibility of direct elections slated to be held under the PLGA 2019. They appreciated that direct elections would not only make elected officials more accountable but also increase bargaining power of elected officials vis-à-vis provincial government and bureaucracy. However, it was suggested that the government should also conduct direct elections for the councils to provide checks and balances to the power of the mayor/chairperson.

The elected representatives appreciated the increasing integration of technology in the local governance system. They expressed the hope that it would assist in strengthening and streamlining the process of accountability and ensuring transparency. The issue of the local governments’ capacity to train its representatives in the proper utilization of such technologies once again revived the debate on the need for sustained efforts to augment capacity of the third tier of government.
The first session on the second day of the consultation focused on minorities and youth experiences under the PLGA 2013. Ms. Mary Gill, a former member of the provincial assembly and human rights activist, led the session on the challenges faced by minority groups.

Musharraf’s Local Governance Ordinance 2001 was a landmark in the history of local self-government in Pakistan. More reserve seats were allocated to women, peasants and minorities at various levels of local government than ever before. Women representation, in particular, was increased to 33%. Under the PLGA 2013, there was a decrease in these reserve seats but youth were given reserve seats for the first time. The participants strongly criticized the further reduction in reserved seats in the PLGA 2019 and termed it as “a step backwards for inclusive democracy.”

One of the key points of discussion was the need of reserved seats for the minorities. The participants, particularly those representing the minorities, were asked to share their perspective on the feasibility of open seat elections for all. Elected representatives from different districts weighed in on the question and supported the reserved seats for minorities as a method of ensuring representation of religious communities that were disadvantaged by their small number and generally low socio-economic status.

Contrary to the general perception, numerous minority representatives considered their reserved seats as primarily a consequence of their low socio-economic status, not religious bias or discrimination. Lack of funds for election campaigns was stated as one of the paramount hindrance in contesting elections on open seats. The minority representatives expressed a robust confidence in winning over voters if they could procure the requisite financial support.

There was a consensus that the needs of a community could only be understood and addressed effectively by a representative from within the community. Participants, belonging to minority communities, disclosed that a majority of reserved seat MPAs and MNAs were not concerned about minority issues. These legislators were more interested in hobnobbing with party leaders as these leaders decide who would get party ticket and, later, become member of the assembly. Many participants verified the assertion that the Muslim candidates trying to win general seats, albeit with substantial minority population, pay far more heed to the needs of their non-Muslim constituents than the minority legislators.

One-dimensional loyalty to parties has to end. Elected representatives should prioritize serving their communities.”- Shaukat Lal, former member (Non-Muslim-reserved seat) member Metropolitan Corporation Lahore

For the minority elected representatives at the local government level, it was a cause of great concern that their own representatives were unwilling or unable to highlight the vulnerability and marginalization of minorities in front of policy makers. Muslim elected representatives participating in the discussion maintained that it was the duty of all elected representatives to support their constituents, particularly those that were not.

“Minority representatives are under-represented and not truly empowered. An elected representative should work as a citizen regardless of religious affiliations.”- Ahmad Ateeq Anwar, former Chairman District Council Sheikhupura.

Need for Voter Sensitization Campaigns

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Some participants pleaded for more reserved seats but others pointed out that the entire blame for under-representation of minorities could not be laid on the small number of reserved seats. Elected representatives, including those from the minority communities, informed the session that in certain districts, a large percentage of reserved seats remained vacant. Low turnout of minorities in elections, especially in the local elections, was also recognized as a factor hampering the fight for equal rights and better representation. The participants put forth the recommendation that a targeted awareness campaign be initiated to educate minority communities about the importance of constructive involvement in local governance through participation in local government elections.

**Criticism of Separate Electorates**

There was a heated debate on the preferred mode of election for minorities’ seats. There was no consensus on what was the best way to get minorities represented at the local level. Most minority representatives were not in favor of separate electorates that has been provisioned under the PLGA 2019. The participants strongly recommended the reinstatement of joint electorates to facilitate minority representation. It was also suggested that minorities should no longer be clubbed together as a monolith. The elected representatives pointed out that minorities such as the Sikh and Hindu communities would lose out on any representation in direct elections, while they might still find a voice in in-direct elections. There was also a discussion on why minority representation was limited to religious minorities. In every union council, there are ethnic minorities, linguistic minorities, sexual minorities, etc. The participants agreed that they should also be given representation, especially in districts where there were no enough religious minorities.

**Electoral Representation of the Youth**

Mr. Iqbal Haider Butt, a specialist on youth affairs, moderated the discussion on the electoral representation of the youth and on strengthening the voice and active participation of youth in decision-making at the local level. The session began with an enlightening discussion on the myriad definitions of “youth” in the international arena. The government of Pakistan has also defined youth differently in its numerous documents, rules and regulations. It was noted that none of the deposed elected representatives were confident about the official age demarcation.

**Disapproval of the Youth Quota Abolition under the PLGA 2019**

The participants were in agreement with the moderator that the youth bulge of Pakistan has the potential to become a national dividend or disaster for country’s development. They also agreed that policy makers had not shown interest in harnessing the immense potential of this valuable resource at the provincial and local level. The abolition of reserved seats for youth in the PLGA 2019 was severely criticized by the participants. They informed that not once was the word “youth” mentioned in the new law as if youth suddenly ceased to exist in the province.

“By removing the youth quota, the legislators have shown a lack of awareness about the current social conditions. The youth need an outlet to make positive contribution to society. The removal of the quota will give rise to frustration”-Ahmed Saeed Mohsin, former member (Reserved seat-Youth) Metropolitan Corporation Lahore

Youth representatives raised the issue of the exclusion of the youth from the policy formation in Punjab and Pakistan. They were especially disheartened because of government’s total lack of interest in hearing and accommodating opinions of youth during the discussions and consultations before the promulgation of the PLGA 2019. The elected representatives concurred that it was an important concern as 29% of the national population was less than thirty years old.
The ill-defined roles and responsibilities and lack of knowledge of laws and rules were identified as causes of frustration for elected youth representatives at the local level. Funding was another issue hindering youth representatives’ effectiveness. The session learnt that the lack of funding for projects has led to frustrated activism amongst the youth councilors and created an environment of despondency. The session agreed that there was a need to build capacity of the youth representatives.

The participants recommended that the youth representatives be handed responsibilities and portfolios, such as sports and mobilizing volunteers, which they were adept at. A suggestion was put forth to revive the civil defense organization at the union council level through which volunteers can be mobilized in emergencies under the leadership of youth councilors.

“The PLGA 2019 has been passed without putting it through a consultative process. It is ironic that a law can be promulgated without consultation with the true stakeholders. How can a law address issues of public concern, if people are not even heard?” - Syed Hasnain Kazmi, former member (Reserved seat-Worker) Metropolitan Corporation Lahore

“Empowering the youth representatives is an important component of the capacity building process of local governments, and should receive due attention.” – Rajan Sultan Pirzada, former Chairman District Council Lodhran
SESSION 5: GENDER MAINSTREAMING AND ROLE OF WOMEN REPRESENTATIVES: LESSONS LEARNT FROM THE PLGA 2013

The role of elected women representatives in local governments was the topic under discussion during the last session of the 2nd consultation. Ms. Summaiya Yousaf, gender specialist, moderated the session. Ms. Umm-e-Laila Azhar, women rights activist and social worker, traced the history of female participation in the electoral process of local governments.

Criticism of Reduction of Women Quota in PLGA 2019

The participants criticized the reduction of 33% reserved seats for women representation under LGO 2001 to less than 15% under the PLGA 2013 and 2019. The former elected representatives, men and women both, agreed that even 33% quota was not optimal in comparison to the percentage of the female population and the decrease had made participation of women more challenging at the local level.

“The more women have to be included in the legislative process. Who will voice their concerns if they are not even part of the representative bodies?”- Iffat Naeem, former member (Non-Muslim-reserved seat) Metropolitan Corporation Lahore

The discussion on meaningful participation of female elected representatives revealed a consensus amongst those present about the importance of acknowledging the cultural and social context of a society before laws were promulgated. The participants highlighted the colonial legacy of control and traditional patriarchal dominance as the root causes of limited female engagement within the local governments. Familial and socio-cultural pressures were underscored as two additional major factors in restricting constructive participation of women representatives in matters of local governance.

“The fear of negative political repercussions for challenging the male-dominate status quo prevents elected male representatives from supporting increase in authority for their female colleagues. The mindset of our society needs to change.”- Muhammad Raza Sargana, former Chairman District Council Khanewal

There was disagreement amongst women councilors from different districts regarding opportunities accorded to women for political participation. Women councilors elected on reserved seats for non-Muslims expressed strong objections against the lack of respect and serious attention within local governments towards issues highlighted by minority women representatives. The session learnt that women representatives mostly have to depend upon the male representatives from their communities to vocalize women’s concerns.

“Real affirmative action requires a change in attitudes, and not just legislative reform.”- Ahmad Iqbal Chaudhary, former Chairman District Council Narowal

The positive social impact of active participation of women representatives was highlighted through the work done by the 40,000 women councilors elected in 2001. The session heard insights and anecdotes about the changes in local community development brought through more gender mainstreaming and inclusive governance from 2002 to 2008. However, the participants warned that the structure of participatory governance was eroding due to the decrease in women reserved seats as well as overall weakness of local government institutions.

“Problems faced by women are increasing yet the mindset for empowering them is missing in women’s political training.”- Naseem Akhtar, former Councilor District Council Kasur

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Similar to the experiences shared by minority representatives during the preceding sessions, women representatives pinpointed the challenge of fund allocation as a key hurdle to implementation of their development schemes. All the elected representatives, as well as social workers, present at the consultation acknowledged the absence of autonomy, capacity building, and clearly defined functions for women representatives.

The role of political parties was criticized by the participants. All leading political parties, even the religious ones, call for the protection of women rights but most of them do not take any practical steps to achieve the objective. Participants wondered whether the issue of increasing women’s participation at the local level was debated within the national political parties. None of the elected representatives could confidently defend their parties’ gender mainstreaming efforts when grilled by women representatives. The participants concurred that a more proactive stance within political parties was required to mobilize women and to encourage them to be part of the local political process.

"Women political workers remain disadvantaged within their parties. There is a dominant culture of selection that sidelines women who work for change at the grass roots level. Political parties should reassess their internal political processes too." - Gooma Sindhu, former Councilor, District Council Kasur

The session concluded that significant improvement in women participation as voters and as leaders was missing despite claims and efforts made by all governments. It was recommended by the participants that the quota for women should be increased to at least the United Nations target of at least 30 percent women representation. They also highlighted the need to impart political trainings to women representatives as part of the capacity building process of local governments.
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<td>Mary Gill</td>
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LESSONS LEARNT FROM THE IMPLEMENTATION OF PLGA 2013

Consultations and Research on Local Governance in the Punjab Project

THIRD CONSULTATION REPORT
The Centre for Public Policy & Governance (CPPG), Forman Christian College University, hosted the third round of ‘Consultations and Research on Local Governance in Punjab’ project on the 22nd of October 2019. The third consultation was the final installment of a collaborative project between the CPPG and the Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) to generate discussion on the recent (still unimplemented) Punjab Local Government Act 2019 and gather recommendations for strengthening the local governments in Punjab.

The purpose of the one-day event was to provide civil society organizations (CSOs) a platform to discuss local government reforms, prioritizing the latest legislations, the PLGAs 2013 and 2019. In contrast to the first and second consultative meetings, which learnt from the experiences of local government officers and deposed elected representatives of local governments respectively, the participants of the third consultation were a heterogeneous group. Thirty-seven representatives of various CSOs, international donor agencies, non-governmental organizations, legal sector, research organizations, and the academia participated in this third round of consultations to share insights and recommendations for a meaningful implementation of the PLGA 2019.

Dr. Saeed Shafqat, Professor and Founding Director at the CPPG, welcomed the participants and highlighted the crucial role of civil society in strengthening local governance in the province. The representatives of civil society organizations were invited to shed light on the PLGA 2019 and legislative and regulatory hurdles that impede successful implementation of development programs at the local level. While giving the participants an overview of the project, Dr. Shafqat stressed on the need to engage civil society as a key stakeholder in improving local governance.

Mr. Gouhar Ayub, Deputy Team Leader for GIZ’s Strengthening Local Governments program in Pakistan, reiterated the urgency of building positive linkages between local governments and civil society organizations and appreciated CPPG’s proactive role in facilitating this transformation. Mr. Mahmood Tamanna, Director General-Inspection & Monitoring (DG I&M) of the Local Government & Community Development Department (LG & CDD), agreed that there should be a close interaction and constant engagement with the CSOs and academia to not only empower people at the local level but also to remove the trust deficit that exists between people and the government.

There were three sessions after the inaugural session. In the first substantive session, Mr. Javed Malik, Country Head of Democracy Reporting International for Pakistan, provided an in-depth comparative analysis of local government laws and regulations in Punjab. His optimistic evaluation of the new system of devolution was met with some disagreement from the participants who pinpointed the lack of consultations with stakeholders as an ominous sign for the local government system. Mr. Zahid Islam, Executive Director of Sangat Development Foundation, expressed disappointment with the truncated representation left for minorities and vulnerable social groups under the PLGA 2019, a concern that was raised by many of the participants.

In the second session, Mr. Raheem ul Haq, Senior Research Fellow at the CPPG, and Ahmad Iqbal Chaudhary, deposed District Council Chairman (Narowal), moderated the discussion on enhancing accountability of local governments’ elected officials and bureaucrats. Participants accepted that local governments are not free from corruption and that there was a need of accountability but argued that corruption was used as a ruse by both the provincial elected officials and bureaucrats to control and hamper working of the local governments. Most of participants expressed the view that the PLGA 2019, like the previous local government legislation, provides the provincial government tools to maintain its power over future local governments.

Dr. Imdad Hussain, Assistant Professor at the CPPG, moderated the concluding session of the consultation. The consultation focused upon the role of civil society in improving implementation of local government laws in the province. The CSO representatives highlighted the intimidating atmosphere that they were currently facing and how it has restricted their working space. They regretted that the government did not consult them while deliberating on the PLGA 2019 and hoped that in future, the government would be more consultative.
The consultation concluded with the broad consensus on the following recommendations:

1. Local governments should be allowed to complete their mandated tenures to stabilize the democratic process.

2. A participatory approach, which ensures due involvement of all stakeholders in the policy formation and implementation phase of local government laws, be encouraged for strengthening local governance.

3. The PLGA 2019 may be reviewed to ensure fair representation of minority groups.

4. Accountability mechanisms should be fair, transparent, and may not be used to hamper the working of local governments.

5. Awareness-raising campaigns should be conducted, with the help of the civil society and academia, to apprise the citizenry and local government officers about their respective rights and responsibilities.

6. The role of civil society as a key stakeholder, with relevant expertise and extensive experience, should be acknowledged by the government by including them in the planning and implementation phases of laws.

7. Capacity building is indispensable for the successful implementation of the PLGA 2019. Therefore, government should start working on it and expertise of different CSOs may be utilized by engaging them in this endeavor.

8. The devolution of governance to the village level should be implemented only after the village units have the necessary logistical and administrative capacity to discharge their duties.
The third and final consultation for the ‘Consultations and Research on Local Governance in the Punjab’ project was held on the 22nd of October 2019 at the Centre for Public Policy and Governance (CPPG), Forman Christian College University.

Dr. Saeed Shafqat, Founding Director and Professor at the CPPG chaired the inaugural session. He reminded the participants that local governance in Punjab was still an incomplete project of devolution and stressed upon the need for active participation of civil society members in strengthening the local government system. Expounding upon the link between empowered local governments and successful achievement of the SDGs, Dr. Shafqat highlighted the crucial role that CSOs can play in raising awareness about positive governance practices. He framed the consultation’s objective by bringing the participants’ attention towards some key issues. First, he invited them to share their experiences regarding the effectiveness of the PLGA 2013. Second, he requested the participants to recommend steps that could be taken to increase the effectiveness of CSOs and the academia as advocates for a stronger local government system in Punjab. Finally, he also asked them to shed light on the issue of capacity building of local governments. He also pointed out the need to integrate technology into the local government ecosystem for better service delivery.

Mr. Gouhar Ayub, Deputy Team Leader for GIZ’s Strengthening Local Governments program, concurred with Dr. Shafqat’s remarks and stated that the ownership of local government system by civil society was crucial for strengthening the democratic process in the country. He reiterated GIZ’s commitment to building linkages between the state and civil society for improving local governance. He requested the participants to evaluate the contribution of stakeholders from civil society, and put forth recommendations for their active engagement in the reform and implementation of local government laws. Mr. Ayub expressed disappointment over the lack of consultations with representatives of civil society before the promulgation of the PLGA 2019 and appreciated CPPG’s efforts in bringing together all stakeholders on one platform.

Mr. Mahmood Tamanna, Director General, Inspection & Monitoring of the Local Government & Community Development Department, gave his candid view about the recently promulgated PLGA 2019. He acknowledged that the lack of completion of tenure of the elected local governments in Punjab had marred local governance and service delivery. He was of the opinion that for empowering local governments and for true devolution of authority to the lowest tier of government, local governments should continue except for the necessary interruption of elections. He said the Local Government Ordinance 2001, PLGA 2013 and PLGA 2019, all have advantages and disadvantages; it was the implementation that matters. The participants agreed with his assertion that it was the gap between laws and their implementation that continues to hamper effective governance and not the law in itself. He agreed with Professor Shafqat and Mr. Ayub that the PLGA 2019 should have been promulgated after more consultations with key stakeholders. He accepted that there was a general air of mistrust around government actions, which could be decreased by involving the CSOs and academia.

Dr. Raja M. Ali Saleem, Associate Professor and the project coordinator, gave a brief overview of the project at the end of the session. He explained the purpose and aims of the project and summarized the deliberations during the first two consultations.
SESSION 1: DEBATE ON THE PLGA 2019

Javed Malik, Country Representative Pakistan for Democracy Reporting International, presented a comparative analysis of the past and present local government laws in Punjab. He began his talk with a reminder that two separate Acts will govern the new government system in Punjab, and both should be assessed. According to him, the Punjab Village Panchayat and Neighbourhood Councils Act (VP & NC) Act 2019 and the Punjab Local Government Act 2019 together provide comprehensive coverage over issues of local governance. In contrast to the preceding discussion, which approached the PLGA 2019 from a legal angle, Mr. Malik chose to analyze the law from the perspective of developmental impact. He took the stance that instead of remaining embroiled in the legalese, stakeholders should focus on improving service delivery.

Devolution under the PLGA and VP & NC Act 2019

The rise in rural poverty and urban neglect were highlighted by Mr. Malik as stumbling blocks in regional and national development. Mr. Malik stated that the formation of panchayat and neighbourhood councils was a commendable action to ‘address Punjab’s over-centralized state structure and its failure to deliver development at the grass roots level.’ He opined that the new laws would bring the state to the village level through the village councils and neighbourhood panchayats. According to him, PLGA 2019 is the first ‘first ever political party backed local government system with the actual promise of devolution of power and autonomous governments at the grassroots level’. The establishment of 22,000 ‘autonomous village units with their own funds and bank accounts’ as opposed to 3,281 union councils under PLGA 2013 was held up as a step in the right direction for ensuring participation and effective collaboration for local development schemes.

Rural-Urban Divide

Mr. Malik’s assertion that the new system would bear better results as compared to the union council structure was met with disagreement from some of the participants. Majority of the participants agreed with Ahmad Iqbal Chaudhary, former Chairman of District Council Narowal, when he pointed out that rural areas have been overlooked under all previous laws and the establishment of NCs and VPs will not miraculously end decades of neglect. He argued that the villages in Punjab, although structured like cities now, remain deprived of basic municipal services such as streetlights and the present legislation does nothing to end this division.

“The new local government system has been needlessly bifurcated into two laws. The functions are the same but legal and administrative linkages between the two laws are missing”. Zahid Islam, Sangat Foundation

Lack of Capacity

Inadequate logistical, financial, and administrative capacities of local governments were identified by the participants as the underlying causes of weak local governments that would continue to undermine development initiatives planned for the grassroots level. The majority of participants expressed the view that the PLGA 2019 offered an ineffective model of governance under the guise of new nomenclature. Mr. Malik acknowledged the discrepancy between capacity and required service delivery as the biggest hurdle during the implementation of the recently promulgated legislation.

“A huge amount of technical preparation is needed to restructure the state system as per new laws which the existing local government department and parliamentary structures do not have the capacity to deal with”. Javed Malik, Country Representative, Democracy Reporting International
Capacity Building: A prerequisite

There was an overwhelming consensus amongst those present that it would take years to implement the PLGA 2019 in its true form unless capacity building of local governments is undertaken in a proactive manner. Questions were raised over the provincial government’s claims of integrating technology into the local governance system. Members of civil society organizations, local government departments, as well as former elected representatives gave examples of the computer illiteracy of union council workers, and agreed that the integration of technology will be a long and arduous process.

“The clerk at the union council level cannot even operate a computer. Tech integration will remain a distant dream unless the lowest tier is trained”. Khalid Shahzad, Director Dorothea Centre for Special Children (DCSC)

Ambiguities Regarding Functions

The discussion on the restructuring of the local councils revealed strong doubts about the smooth functioning of the newly proposed system. The participants criticized the ambiguity regarding the functions and jurisdiction of the cabinet. Legal experts at the consultation predicted that the lack of clearly demarcated roles and responsibilities would lead to an increase in litigation against local governments.

“PLGA 2019 is a rushed legislation without clear demarcations of financial autonomy, shared authority, and lack of distinct role of numerous statutory bodies, including the Election Commission of Pakistan.” Syed Ali Raza Shah, local government law expert

Impact of Direct Elections

In contrast to the opinion expressed by deposed elected representatives of local governments and opposition parties, Mr. Malik stated that the proposed introduction of direct elections under the PLGA 2019 was a positive step as it would weaken the traditional hegemony of baradari (kinship-based) political practices in Punjab. Sub-sections (1) and (2) of Clause 20 in the PLGA 2019 detailing the inclusion of ‘women, religious minorities and other special interest group in a local area as mentioned in the First Schedule’ as councilors, and their participation and election through general seat elections respectively were appreciated as instances of affirmative action by the government.

In Mr. Malik’s opinion, the second appreciable feature of the PLGA 2019 is the inclusion of ‘innovative models and approaches to introduce possibilities for local development planning and execution by involving local private and commercial sector as well as CSOs’. The establishment of Joint Authorities and Agency Arrangement (Chapter VII), Authority of Local Governments (Chapter VIII), Responsiveness to Citizens’ Needs (Chapter XXVII), Offences Relating to Good Conduct and Conflict of Interest (Chapter XXXV), and Enforcement Mechanism were pinpointed as some of the innovations introduced under the PLGA 2019. The participants at the consultation, however, did not share Mr. Malik’s optimism. There was a consensus that the strengthening of the District Commissioners’ authority through the removal of the district tier would increase provincial oversight, and complicate the functionality of the proposed innovations.
Sanctity of Tenure and Accountability

The overwhelming consensus at the consultation was the need to ensure completion of tenures by the local governments. Participants representing various stakeholders of the local governance in the province stressed upon ‘consistency’ as the key to strengthening the local government system. They reiterated that true assessment and accountability of local governments could only happen when the interference of provincial bureaucracy was restrained. Legal practitioners specializing in local government laws pointed out that legislative drafting plays a crucial role in demarcating jurisdictions of different tiers of government. The participants learnt that the involvement of MPAs and MNAs in matters of local governance is not covered under any law, and is a revealing instance of political power dynamics.

Fiscal Accountability

Fiscal accountability was a key concern of the participants, as fund disbursement continues to be a contentious issue among the provincial and local tier of government. The participants highlighted the issue of fund allocation under the PLGA 2019 as a regression from devolution of authority. They criticized the amalgamation of the financial system of local governments into a ‘composite cash book of the provincial government’; an action that would hinder the implementation of development projects designed by local governments. The inclusion of a reserved fund for local governments under PLGA 2019 was appreciated as a positive step but reservations were expressed regarding the overall financial dependency of local governments.

SESSION 2: DEBATE ON ACCOUNTABILITY OF BUREAUCRATS AND ELECTED OFFICIALS UNDER THE PLGA 2019

Mr. Raheem ul Haq, Senior Research Fellow at the CPPG, and Ahmad Iqbal Chaudhary, deposed Chairman, District Council, Narowal, moderated the discussion on accountability mechanisms of local governments under PLGA 2019. The session deliberated upon the shortfalls of the existing accountability mechanisms; the interference of provincial bureaucracy in local governance; and the way forward for improving service delivery.

It was noted that each one of the participants identified inefficient accountability mechanisms as the fatal flaw of previous laws. The participants viewed accountability primarily through the lens of fiscal responsibility and control, and service delivery evaluation.

“If we analyze it objectively, the main failure of the PLGA 2013 was the non-operational internal monitoring system. PLGA 2019 also lacks definitive inbuilt monitoring systems.” Mahmood Tamanna, DG I&M (LG & CDD)

“Centralization has continued its march at the provincial level, with the provincial government corroding the financial autonomy of local governments”. Salman Abid, Institute for Democratic Education & Advocacy (IDEA)
The participants were in agreement regarding the presence of corruption within provincial and local tiers of government. The widespread political patronage and absence of documentation, auditing, and tax evaluation were given as reasons of flawed accountability mechanisms that have undermined the success of otherwise well planned local government initiatives in the province. There was an overwhelming agreement with the observation that corruption within the ranks of local governments delivers a two-pronged blow to the process of strengthening local governments since provincial bureaucracy justifies its excessive monitoring of local governments as a necessity to combat rampant corruption in local government departments. Former elected representatives of local governments pointed out the power of the media in strengthening the impression that every politician and government worker in office indulges in corruption. They demanded that accountability should be undertaken of the transaction costs incurred by the frequent dismissal of local governments and introduction of new systems.

The participants suggested that needs-based assessment should be institutionalized as a precursor to accountability. There was an overall agreement with the observation that the new law has been packaged as a solution to problems without having identified the issues. The participants recommended that a national strategy unit be established to improve accountability by conducting cost, time, and result efficiency assessments of local government projects.
The concluding session of the consultations on local governance in Punjab focused upon the role of civil society in improving implementation of local government laws in the province. Dr. Imdad Hussain, Assistant Professor at the CPPG, moderated the discussion.

**All Local Government Laws and Rules in English Language**

The first criticism against the PLGA 2019 was concerned with the legislative language utilized for the law. Ms. Nazli, a political worker and social activist, raised the pertinent issue of the language barrier of English faced by grass root workers in understanding regulations. The assembled participants concurred with her assertion that lack of comprehension of local government laws is a serious impediment to effective service delivery in rural areas. There was a consensus that the public should be involved and consulted during the planning, implementation, and evaluation processes of the local government system, if was to be strengthened.

Representatives of civil society organizations expressed disappointment that their efforts to raise awareness about citizenship rights and responsibilities regarding local governance have not delivered any concrete results as yet. They, however, were hopeful that continued awareness campaigns through various types of media platforms would eventually force the concerned authorities to acknowledge the role of the citizens as implementation and accountability partners in the local government system. Participants representing other segments of civil society agreed that international non-governmental organizations, civil society organizations, and the media have been unified in the struggle for better governance, but the powerful provincial and federal assemblies diminish their collective voice.

Most participants were of the view that there should be extensive, all-inclusive discussion on rules and regulations that would be formulated under the PLGA 2019. Lack of consultation with civil society organizations was highlighted as a contributing factor in making PLGA 2019 a law that was not balanced and that might lead to limited sustainability. The participants expressed the opinion that CSOs provide a bridge between the community and policy makers; and as long as local government departments do not operate with a realistic picture of community needs, service delivery will remain inconsistent.

Civil society representatives stressed upon the need to clearly determine the requirements for each local government function, particularly those concerning health, sanitation, drinking water, and education services. The participants emphasized the importance of evaluating and monitoring the skill level of the workforce for successful implementation of the PLGA 2019. It was pointed out that the proposed overhaul of the local government system through the VP and NC Act as well as the PLGA 2019 should be done keeping in view the capacity of the implementing departments. If the capacity was not up to required level, drastic changes would hamper service delivery instead of improving it.

“Change management requires workforce training, which is resisted by the officers and workers in our system. An organizational development strategy is required to ensure the successful functioning of local governments.” Dr. Sania Nazir, Activate for Human Development (AHD)
The discussion brought forth grievances of CSO representatives regarding the hostile attitude adopted by the state towards their organizations. The majority of participants concurred that CSOs are not meant to provide long-term services, but rather sensitize and mobilize communities for the benefit of the state and communities so the state should not be afraid of them. They regretted that they were called traitors and tools of the foreign powers that were trying to undermine Pakistan. There was a consensus amongst all present that the space for civil society has shrunk and it has become increasingly difficult for CSOs to further local communities’ agenda in front of government officers. The participants recommended that civil society organizations be made part of the consultation group at every major socio-legal change. It was learnt that the PLGA 2019 contained some docile provisions that could provide a legal framework through which governments could be pressured in engaging civil society representatives in the future.

The participants expressed a unified perspective that modern governance requires a collective approach but this culture of partnership had not yet taken root in Punjab. It was pointed out that a huge trust deficit exists amongst the key stakeholders of local governments. They warned that the reservations of communities against local government system would increase as the PLGA 2019 has reduced and removed the reserved quotas for the vulnerable groups. The exclusion of the youth from active political participation in local governments was highlighted as a major regressive step in the new legislation.

“The PLGA 2019 is not a progressive legislation. The government has missed a good opportunity to boost affirmative action by the state.” Zubair Yousaf, Aurat Foundation

The session concluded with the consensus that the law should be reviewed to include provisions for the associational linkages with CSOs; sensitization of chairpersons and mayors with the official procedures and the needs at the grass roots; training of councilors; and mobilization of under-represented segments of the population to truly empower communities.
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<td>Abdullah Mohsin</td>
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<td>Salman Abid</td>
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<td>Maleeha Kiyani</td>
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THEMATIC ISSUES AFFECTING THE IMPLEMENTATION OF THE PLGA 2019

Ayesha Siddique
Relationships between elected representatives and officers

The power dynamics between the elected representatives and officers of the local government departments affect the efficiency of the local governance system, with a healthy constructive relationship leading to better coordination, quicker implementation and improved service delivery. In general, the day-to-day relationships between them have been one of a collaborative and cooperative nature during the implementation of PLGA 2013. What has been affecting the relationship most adversely is the interference of the elected representatives and officers in the working domain of each other. On the one hand, the officers vociferously complained about the elected representatives’ unlawful interference in the official business, and repeated requests for unlawful assistance to their favorite constituents. On the other hand, the main grievance of the elected representatives was the bureaucracy’s control over every aspect of local governments. To get their demands met, especially those pertaining to the release of funds, logistical support and approval of development projects, the elected officials needed political clout in Lahore, since the bureaucracy only responded to power and influence from the provincial capital. The bureaucratic interference primarily emanate from the colonial legacy whose hallmark was a strong centralized bureaucracy that governed local governments. Unlike its predecessor that made the elected representative subservient to (provincial) bureaucracy, the PLGA 2019 grants greater authority to them. This is one positive aspect of the PLGA 2019 that may help improve the power dynamics.

Additionally, an absence of a clear definition of the roles and responsibilities of local government officers in the PLGA 2013 has made the environment all the more conducive to unnecessary interference. These ambiguities surrounding the roles and responsibilities have also resulted in a complicated relationship between the local government officers and the federal and provincial bureaucrats who make local government officers work beyond their call of duty, without disbursement of sufficient human and fiscal resources. These issues have trickled down from the PLGA 2013 to the PLGA 2019 as the role and responsibilities of the local government officers continue to remain undefined and unclear. To minimize disagreements, delays, ineffectiveness, and inefficiency, it is imperative that detailed and unambiguous job descriptions, highlighting the division of duties between the elected officials and different cadres of bureaucracy, are laid down before the start of implementation process. Furthermore, reforms in the civil services and provision of comprehensive trainings to the local government officials can further smoothen the local governments’ functioning.

Accountability and Performance

Accountability of local governments is important to assess its performance and to make the service delivery process smooth, efficient, and effective. There is a hierarchical system that oversees the process of accountability in local governments, with different in-built mechanism introduced to improve service delivery. The PLGA 2013, at minimum, helped ensure vertical and horizontal accountability through frequent regular elections and council system respectively. This was coupled with initiatives such as the Citizens’ Complaint Portal that helped improve service delivery. However, the accountability mechanisms of PLGA 2013 suffered from five key shortfalls that remained unaddressed and also affect the PLGA 2019. First, there is a lack of clear demarcation between the domains of the provincial and local government departments. This was partly a function of the second issue, which was the lack of consultation by the key stakeholders in the legislative drafting of both the acts. For instance, civil society and local government officers were not consulted in the drafting process and this translated into a lack of clarity over jurisdictional boundaries of different tiers of government. More importantly, a lack of consultation with all stakeholders led to a lack of knowledge of the acts, with many public and government officials unaware of the provisions of accountability in the PLGA 2019. Third, the heavy provincial oversight and the stifling accountability mechanisms given in both acts hamper work. These mechanisms have opened space for unnecessary interference in the local governance issues by the provincial bureaucracy and government to promote their own interests. Fourth, lack of fiscal space and accountability at the provincial finance commission level thwarts performance. There are persistent fund disbursement issues between the local and provincial tiers, with the provincial governments exercising strict control and releasing funds at their own discretion. The fifth issue is that of a weak culture of documentation. This is also being taken advantage of, and driven by, the deeply entrenched political patronage networks, corruption and nepotism, all of which collectively damage the transparency of the accountability system.
In addition to these, the PLGA 2019 has diluted the horizontal accountability process by replacing the council system, an all hailed aspect of the PLGA 2013, with a closed list election system. However, this shortfall must not overshadow other merits of PLGA 2019 such as direct elections, introduction of a reserve fund and an integration of the IT advancements in the system. To further establish a fair, transparent and impartial accountability system, there is a need to lay down well-defined divisions of duties between officers and deposed elected representatives of the local government. Moreover, local governments must be allowed to complete their mandated tenures, which must additionally be aligned with tenures of the provincial and federal government. Equally important is to ensure that their financial and administrative oversight by the provincial government is not a hindrance, coupled with the local governments being granted greater control over fund disbursements for their local development projects. Lastly, a district level civil service cadre must be established to minimize interference of provincial bureaucracy in local governance matters.

### Marginalized Groups

A fair representation and participation by all marginalized communities, including women, youth and minorities, at the local level helps create an inclusive governance ecosystem. From the LGO 2001 to the PLGA 2019, the representation granted to marginalized groups has generally decreased. Under Musharraf’s LGO 2001, marginalized groups, women and minorities in particular, were granted increased representation by allocating them a large number of reserve seats at various levels of the local government. Under the PLGA 2013, however, there was an overall decrease in these reserve seats, albeit youth were given reserve seats for the first time. There was a further reduction in the reserved seats in the PLGA 2019.

**Women** enjoyed a significant (33%) representation under the LGO 2001. However, both PLGAs 2013 and 2019 reduced this to below 20%. Comparatively speaking, the PLGA 2013 offered much greater representation than its successor. While more than 2000 female councilors were appointed through PLGA 2013, the number has been capped at 90 under the PLGA 2019. A low fund allocation further adds to the problems faced by women. Many socio-economic and cultural factors, not specific to any of these acts, contribute towards a low representation of women in general, by limiting their participation in the political sphere. The most important of these is the traditional patriarchal culture that limits women participation in public affairs. Other factors include a lack of protection of the rights of vulnerable groups in general by political parties. Collectively, all these impede women participation and representation at the local level of governance.

Under the PLGA 2013, the **youth** were granted with reserved seats for the first time. However, the PLGA 2019 has abolished these reserved seats. Moreover, the minimum age for contesting elections has been raised from 21 years to 25 years. Given that the country is faced with a youth bulge, with 64% of the population less than 30 years, this excludes a significant population, both male and female, from contesting elections. Even in the PLGA 2013, the roles of youth councilors was left undefined, which hindered their meaningful participation in local governance. To reap the benefits of the youth demographic dividend, in the form of higher national growth and development, there is a need to engage the youth through increased political participation.

As is the case with all marginalized groups, **religious minorities** too are subject to a proportional representation system with separate electorate in PLGA 2019. There are mixed views over the best mechanism for minority presentation: separate electorates or joint electorates. According to Mr. Peter Jacob, an expert on minority affairs in Pakistan, who has reviewed the state of minority representation over the past two decades, joint electorates are a better option since they helped improve equality of citizenship for minorities, as candidates and as voters. Although there remains disagreement over the effect of PLGA 2013 on the religious minorities’ representation, there is optimism over the expanding space for them to express themselves. In fact, there is also consensus over the fact that the minority representation must not remain limited to the religious realm, but should be extended to include the many others minorities, for instance, linguistic minorities.

To sum up, there is a broad based consensus that the PLGA 2019 need to do better to improve representation of all marginalized groups, women, youth and minorities alike. Undertaking the following three steps could help create a more inclusive local governance system. First, there is a need to increase
the representation of women to the level of the LGO 2001 by increasing their reserved quota seats. There is also a need of increasing the youth seats. Second, it is important to undertake capacity building measures for the representatives of marginalized groups in order to fully utilize their potential. Third, they must be given well-defined portfolios and allocated funds to ensure their meaningful participation and contribution to local governance.

Ayesha Siddique
Following is a simple comparison of the three attempts at local government reform in the 21st century. The comparison will compare the LGO 2001, PLGA 2013 and PLGA 2019. These were not the only efforts to reform the local government but they are more significant as they resulted in laws or ordinances which one can analyze and investigate. The comparison will be made in five areas:

- Administrative Powers
- Financial/Fiscal Powers
- Marginalized Groups -Women
- Marginalized Groups -Youth
- Marginalized Groups -Minorities

### Administrative Powers

The hierarchy of the administrative structure governing the local areas has varied across all three of the legislative instruments: LGO 2001, PLGA 2013 and PLGA 2019. Structurally, the LGO 2001 did not classify the local government into two distinct rural-urban categories, unlike its predecessor (LGO 1979) or successors, PLGAs 2013 and 2019. Instead, it simply classified the local areas into four tiers, namely, Unions, Tehsils, Towns and Districts. However, both PLGA 2013 and 2019 demarcated the local government functioning along a rural-urban divide which is disappearing fast as Punjab is urbanizing at a fast pace. The PLGA 2013 classified the urban areas as Metropolitan Corporations and Municipal Corporations that consisted of urban union councils, and Municipal Committees that consisted of wards. The rural areas were organized as District Councils under which there were Union Councils whose number varied in accordance with the population size. The PLGA 2019 on the other hand, classifies the urban areas as Metropolitan Corporations, Municipal Corporations, Municipal Committees and Town Committees, and the rural areas as Tehsil Councils, emanating from the “Tehsil under the Punjab Land Revenue Act, 1967”. Unlike the LGO 2001 and PLGA 2013, there are neither any union councils nor any district councils. However, it does offer a governance tier at the lowest level for the rural areas in the form of “Panchayats,” and in the urban areas in the form of “Neighbourhood Councils”, similar to the one offered by Musharraf’s LGO 2001. These areas are not entirely governed by the PLGA 2019. Instead, they are based on the “Punjab Village Panchayat and Neighbourhood Councils Act, 2019”. These panchayats and councils are responsible for managing the civic affairs such as health care, social welfare, water and sewerage.

The administrative powers conferred upon the local governments, by all three of the legislative tools, have in general remained limited, and hamstrung to the provincial powers. However, the LGO 2001 broadly devolved the most powers administratively if one compares the three legislations. In some specific areas though the PLGA 2013 or the PLGA are better. Under both the LGO 2001 and the PLGA 2013, the administrative powers pertaining to the management of key areas such as education, social welfare and health care, remained essentially concentrated at the district level. For instance, under the LGO 2001, administration authority for the management of education, sports, population welfare, environment etc. (First Schedule items) was decentralized to the District government of that district. Similarly, PLGA 2013 also conferred this authority upon the district administration. In fact, for education and health care in particular, the PLGA 2013 propose to establish a separate district education authorities and district health authorities for each district, thus taking power away from the elected local government. The PLGA 2019 has decentralized administrative powers to the lowest level. Each of the urban areas, classified as metropolitan corporation, municipal corporation, municipal committee, or town committee, and rural areas classified as tehsil council, have key administrative powers pertaining to economic development, education, health care, waste collection, crime prevention, among many other responsibilities, as listed out in third, fourth and fifth schedule of the Act.
The capacity of the local governments to exercise authority in the financial landscape has (again) largely remained limited and subject to the release of funds and reimbursements by the provincial bodies. Under all three legislative instruments, local governments have been dependent upon grants given by the Provincial Consolidated Funds (Provincial Allocable Amount) through the awards of Provincial Finance Commission. The PLGA 2019 however, sets a minimum threshold of fiscal resources that must be transferred to the local governments by the provincial government. It prescribes a transfer of a minimum of 26% to 28% of the total revenue receipts of the province. Of this, the panchayats and neighbourhood councils are to be assigned no more than 10% of the local government prescribed share. Furthermore, the grants in lieu of Octroi and Zila Tax are deemed to be included in this share, unlike the PLGA 2013 and LGO 2001 when it was excluded. Special packages and grants for local governments by the provincial (or federal) government however, remain an underlying commonality in all three legislations.

In comparison to its predecessors, the PLGA 2019 has tried to enhance the capacity of the local governments to generate revenue. In addition to property tax proceeds, rent revenues, fines imposed, grants and monies received from the Government, all of which were considered revenue generating sources for the local government under the LGO 2001 and the PLGA 2013, the PLGA 2019 lists additional items, such as profits from any local government investments and loans raised, as revenue generating sources. All these revenues are credited to a “Local Fund,” another common feature of all the three legislations. The local governments under all the three legislations have been required to maintain a Local Fund, where revenues received from all prescribed sources are added to. Further, local governments under all three legislations have been required to maintain a Public Account, renamed Public Fund under PLGA 2019, where revenues explicitly from accrued receipts, refundable deposits and deferred liabilities are to be credited. Unlike its predecessors, the PLGA 2019 offers a financial safety net to the local governments by allowing them to establish a “sinking fund” under section 122. They are granted the authority to repay any money borrowed under the Acts’ framework. Additionally, under the PLGA 2019, the local governments have also been granted the authority to establish a “special fund” for any other purpose if a need arises, subject to the approval of the provincial government of course. With regards to the utilization of the Local Fund reserves by the local governments to meet the expenditures, there is a common feature shared by all three legislative instruments. When elections for the new local government are taking place, the expenditures of the outgoing one are not allowed to be exceeded by more than eight percent per month of the budgeted funds for the remainder of its term in office in that financial year. This provision has remained unchanged across LGO 2001, PLGA 2013 and PLGA 2019.

The power of the local government to levy taxes under all three legislations has remained restricted, although PLGA 2019 confers a greater degree of autonomy. Under the LGO 2001 and PLGA 2013, it was subject to the approval of the provincial government, while under PLGA 2019 it is subject to the approval of the head of the local government, and further by the Council which may reject it by a two-thirds majority.

Marginalized Groups: Women

From the LGO 2001 to the PLGA 2019, the representation granted to marginalized groups, and women in particular, has varied from time to time. Under Musharraf’s LGO 2001, women were allocated 33% reserved seats, the highest to-date and most in number, in contrast to both PLGA 2013 and 2019. Thus, women enjoyed a significant representation under the LGO 2001. Section 37 of the LGO 2001 explicitly conferred women with a representation of 33% at each of the Zila Council, Tehsil Council and Union Council level. At a Village Council and Neighbourhood Council level too, one seat was reserved for women, of the total five to eleven seats. In contrast, PLGA 2013 reduced women representation at all tiers of the local government to less than 15% at all levels, from the municipal corporation, metropolitan corporations, municipal committee to the union council level.

A comparison at a Union Council level alone demonstrates the effect of each of the successive legislations on political representation of women. Under the LGO 2001, a Union Council offered thirteen seats, of which four were reserved for women; two seats were reserved for Muslim women and two for women
peasant and workers. In the PLGA 2013, this women representation was halved. A Union Council offered twelve seats in total, of which only a total of two were reserved for women. And since Union Councils were abolished under the PLGA 2019, women representation through reserved seats has been affected more than ever. District Council classification has also been abolished, further reducing the women representation.

Although women representation through reserved seats has been reduced under the PLGA 2019, the base for competing has broadened. The PLGA 2019 has introduced a system of proportional representation through separate electorates. Women can now contest elections from reserved as well as the general seats. At all levels of local government, the number of seats reserved for women are directly proportional to the population size of that area, the specifics of which are detailed in the Second Schedule of the Act. For example, a Tehsil Council with a population size of up to 125,000 allots 3 reserved seats to women of the total 21. On the contrary, a Tehsil Council with a population of more than 1100,000 allots 8 seats for women of the total 56.

**Marginalized Groups: Youth**

Only the PLGA 2013 offered reserved seats to the youth. Neither the LGO 2001 nor the PLGA 2019 offered any seats. In fact, the entire text of both the legislations is devoid of the word “youth,” except for a trivial mention in Article 37 of LGO 2001. Under PLGA 2013, youth was granted with reserved seats for the first time. One seat in each of the Union Councils, District Councils, Municipal Committees, Municipal Corporations, and two in Metropolitan Corporations were reserved for the youth. In contrast, the PLGA 2019 allocated no reserved seats to the youth. Moreover, the representation of youth has reduced by-default because Union Councils that offered them, exist no more. Young people can however, compete on the general seats if they wish. There are no rules barring their participation on those general seats. However, the minimum age for contesting elections has been raised from 21 years to 25 years. Section 109 of the Act, about the qualification criteria for being an eligible candidate for holding the office of the head of the local government, convener or councillor, explicitly states the minimum age requirement of 25 years. Hence, the PLGA 2019 has weakened the prospect of political participation for the youth, and sadly enough, at a time when the country is faced with a youth bulge and requires it more than ever.

**Marginalized Groups: Religious Minorities**

Over the course of time, the political space for minorities at the local level has shrunk in many ways, especially if gauged using the reserved seats allocation as a metric. Under Musharraf’s LGO 2001, minorities were granted political representation by being allocated reserved seats along all levels of the local government. At the Zila Council level, the number of persons from minority community representatives was to be equal to five percent of the total number of the Unions in the district, subject to a minimum of one seat. Similarly, at the Tehsil and Town Council level, a five percent minority representation of the total number of the Unions in the tehsil was allowed. In each Union Council, of the 13 seats, one was reserved for the minority communities. Under the PLGA 2013, however, there was an overall decrease in these reserve seats across the board for all marginalized groups, including minorities. The PLGA 2013 catered explicitly to the religious minorities. A single reserved seat was offered at the Union Council level for a non-Muslim member, and ten in the Metropolitan Corporation, Lahore. For District Council and Municipal Corporation a maximum of 5 non-Muslims, and subject to approval of the Government based on the Union Councils, were allowed to be elected. Similarly, for the Municipal Committee, a maximum of 3 was permitted.

The PLGA 2019 further shrunk the political space for the minorities through a reduction in the reserved seats. Moreover, since it completely abolished the Union and District Councils, it reduced minorities’ representation by default. It introduced a system of proportional representation through separate electorates, reducing reserved spots, but opening space for contesting elections from both reserved as well as the general seats. At the Tehsil Council level, for example, with a population size of 125,000, of the 21 total seats, one is for the religious minorities and two for the peasants. A larger population size of more than 1100,000 that offers a total of 56 seats, consequently sees a greater share of minority representation with two seats for religious minorities and six seats for peasants. In the case of Panchayats and Neighborhood Councils, the representation of minorities, including non-Muslims, peasants and workers,
The Punjab Village Panchayats & Neighborhood Councils Act 2019

The PLGA 2019 was not the only piece of legislation passed by the Provincial Assembly of Punjab on 30th April 2019. Along with the PLGA 2019, the Punjab Village Panchayats and Neighbourhood Councils Act 2019 (VP&NCA 2019) was also passed and later assented to by the Governor of Punjab on the 3rd of May, and put into effect through notifications issued in the Gazette of Punjab on the 4th of May 2019. Section 10 of the VP&NCA 2019 stipulates the establishment of ‘a panchayat for every village and a neighbourhood council for every neighbourhood in the Punjab’ within ‘twelve months of the commencement of this Act’ through a notification in the official Gazette.

The promulgation of the VP&NCA 2019 heralds the separation of the lowest level of local governance from the PLGA 2019, and restructures the local government system with the introduction of a new tier at the neighbourhood level. Formerly, union council was the lowest tier of local government but now it will be the ‘Village Panchayat’ (for rural areas) and ‘Neighbourhood Council’ (for urban areas). Although the VP&NCs cannot be termed as local governments according to the five classes of local governments defined in Section 15 of PLGA 2019, their functions will continue to correlate to those of local governments. Similar to the local governments, VP&NCs have been labeled as ‘a body corporate’ under Section 10.5. As a component of the multi-tier local government system of Punjab, the VP&NCs will also receive a percentage from the provincial budget allocated for local governments.

Structure

Section 3 of the VP&NCA 2019 sets down a minimum population of two hundred people for an ‘estate’, outside a Metropolitan Corporation, Municipal Corporation, Municipal Committee or a Town Committee, to be defined as a village. The process of de-limitation for village panchayats details the merger of contiguous estates until the combined population exceeds two hundred. The limits of a neighbourhood unit are defined as an ‘area comprising a distinct and compact inhabitation or a group of two or more contiguous, distinct and compact inhabitations within the local area of a Metropolitan Corporation, Municipal Corporation, Municipal Committee or a Town Committee’ that satisfies the population requirement under the First Schedule.

Described by Mr. Shahid Zaman Lak, Additional Secretary Local Government & Community Development Department, Punjab (LG&CDD), as an ‘open system with a simpler structure’ that will achieve the current government’s objective to bring governance closer to the grass-roots, the proposed re-structuring will establish twenty-two thousand Village Panchayats and twenty-four hundred Neighbourhood Councils.

The VPs and NCs, having tenure of four years, will be formed through non-party based elections conducted under the supervision of the Election Commission. All members of the VPs and NCs shall be elected through ‘an open list election on the basis of secret ballot and adult franchise’. Section 30 details the composition of VPs and NCs: the candidate with the highest votes shall head the unit as the chairperson; general members (elected on the basis of having secured highest votes in descending order);

3See Section 10: Constitution of panchayats and neighbourhood councils
4Chapter II: Establishment of village and neighbourhood areas
5Shahid Zaman Lak at the Centre for Public Policy & Governance, Consultations and Research on Improving Local Governance in the Punjab, 1st July, 2019.
and members elected on reserved seats for minorities and women respectively. Section 51 further declares every chairperson and member to be deemed as a public servant according to the definition set within Section 21 of the Pakistan Penal Code (Act XLV of 1860). A comprehensive list of the 'primary duties' of the chairperson is laid down in the Sixth Schedule of the Act, which include:

- 'Efficient, effective and transparent functioning' of the respective VPs and NCs
- Accomplishment of objectives identified by the common assembly, panchayat or neighbourhood council
- Presentation of a minimum of two evaluation reports of the panchayat/council to the common assembly as well as the Government during each calendar year
- Convening and presiding over general and extraordinary meetings of the common assembly
- Preparation and submission of a report of all moneys received and expenditure incurred from the local fund during each financial year
- Preparation and submission of a report on the audits of accounts of the panchayat/council
- Preparation and presentation of a budget in accordance with Section 45 of the Act (estimate of receipt and expenditure)
- Approaching the provincial government or a local government in relation to any common need of the residents as directed by the common assembly
- Granting a designated Government officer access to all books, proceedings and records pertaining to the panchayat/council

The primary duties of the members are laid down in the Seventh Schedule, which mainly constitute of serving the overall interest of his/her village or neighbourhood, and contributing towards the effective and efficient functioning of their units. However, Section 25 of the VP&NCA 2019 reminds the chairperson and members that the exercise of powers and performance of all duties shall be in accordance with the ‘general policy or directions of the Government’. Furthermore, the ‘number and nature of employees’ of the VPs and NCs shall be determined by the Government (Section 87).

## Common Assembly

Each VP and NC shall have a ‘common assembly’ comprising of every resident of that respective village/ neighbourhood. The law makes it mandatory upon each VP and NC to convene a general meeting once every month that shall be held at a public place within its jurisdiction, and be open to all residents and interested persons (Section 13). Every common assembly of the VPs and NCs is bound to convene at least two general meetings in a calendar year, and additional extraordinary meetings as and when required (Section 7).

Section 5 of the Act grants common assemblies the power to:
- Discuss and pass reasonable directions on the consolidated account of all moneys received and expenditure incurred from the local fund during each financial year
- Discuss and pass reasonable directions on the report on audit of accounts under section 49
- Seek a report on enforcement actions taken under the Sixth Schedule
- Seek clarification from the chairperson, member, and local official on any matter relating to their respective duties
- Require residents to provide voluntary labor or to make reasonable contribution in kind or cash or both, or to render such other support as it considers just and appropriate for undertaking a project for their general welfare
- Ask the chairperson to approach the Government or a local government in relation to any common need of the residents

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4Chapter IV: Elections and Term of Office of the Chairpersons and Members
5Sixth Schedule: Primary Duties of a Chairperson

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Section 17 states that every VP and NC shall be responsible for the provision of basic municipal functions required for the village or neighbourhood, including ‘all subsidiary works and buildings connected therewith so far as they are likely to promote the health, safety, comfort or convenience of the respective village or neighbourhood or of visitors thereto’. Sections 20 and 21 further empower VPs and NCs with the authority to remove unlawful obstructions that may cause public inconvenience or create unsanitary conditions for the residents while Section 24 grants panchayats the power to name streets and number buildings. Section 91 allows VPs and NCs to promulgate bye-laws that relate to the dispensation of its ‘functions, powers and duties’.

The Fourth Schedule delineates the main functions of a Village Panchayat, most of which can also be found as functions of NCs under the Fifth Schedule:

- Construction, maintenance and repair of public ways
- Maintenance of common spaces including their sanitation
- Maintenance and repair of drinking and domestic water supply channels
- Demarcation of burning and burial grounds
- Tree plantation and preservation
- Lighting of public ways and places
- Provision of relief for the poor or sick
- Provision of relief in calamities and emergencies
- Population welfare, including population control
- Public health campaigns and inoculations
- Enhancing school enrollment to achieve the target of universal education. Provision of stipends and scholarships to encourage student attendance
- Promotion of better hygiene practices
- Village sewerage and waste water collection and treatment
- Organization and celebration of public festivals, other than religious festivals
- Establishment of libraries and reading rooms
- Development of public parks and play-grounds
- Collection and disposal of domestic waste
- Development of agriculture and village industries
- Establishing and maintaining a grain fund for cultivators
- Development and maintenance of common grazing grounds and barren lands
- Promotion of dairy farming, poultry and fish farming
- Maintenance of public properties and village common properties under its control
- Organization of voluntary labour and community work
- Construction, repair and maintenance of common village assets such as schools, health and other facilities provided by the provincial or local government
- Removal of encroachments and prevention of illegal trespass over public properties
- Construction of accommodation for travellers
- Collection and destruction of stray animals
- Voluntary registration of the sales of cattle, camels and horses

The VPs and NCs may also be delegated additional functions by the provincial or local government apart from those contained within the Fourth and Fifth Schedules. These may include the construction, maintenance or improvement of any property under its control or management as well as delivery of public services under PLGA 2019. Section 18 clarifies that the expenses required for the fulfillment of any such functions shall be placed at the disposal of the VP or NC by the delegating local/provincial government.

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*Chapter III: Constitution, Powers and Duties of Panchayats and Neighbourhood Councils*
*Fourth Schedule: Primary Functions of a Panchayat*
*Chapter III: Constitution, Powers and Duties of Panchayats and Neighbourhood Councils*
Chapter V of the VP&NCA lays down the creation of a ‘local fund’ in every panchayat and neighbourhood council to cover the expenditure for the fulfillment of duties. The local fund shall be held as a ‘trust for all the residents’ of the respective village or neighbourhood (Section 38). Potential sources of revenue outlined in Section 39 include:

- All grants from the provincial or local government
- All fees, fines and other monies received by or on behalf of the VP/NC
- Rents and profits accrued from the property of the VP/NC
- Incomes from investments made from the local fund
- Proceeds from any other source of income placed by the provincial government at the disposal of the VPs and NCs
- Donations from any other sources

Section 40 decrees that a ‘part of the proceedings of land revenue assessed against the lands comprising a village, to be called the local rate, shall be credited to the local fund of that village’. In addition to the above mentioned revenue streams, VPs and NCs shall receive funds from their collective share in the provincial budget under the PLGA 2019.

Section 47 empowers the VPs and NCs to levy fees and rates in the form of:

- Tolls on persons, vehicles or animals at any toll-bar established by it.
- A sanitation rate for sanitary measures and arrangements implemented by the VP/NC.
- A water rate in case of water supply arrangements for drinking, irrigation and other purposes have been made by these bodies.
- A lighting rate where arrangements for lighting of public streets and places is ensured by the VP/NC.
- Fee for organizing fairs at pilgrimages as well as within the limits of the village or neighbourhood.
- Any other fee or levy requested by the VPs and NCs that is approved by the provincial government.

The VP&NCA requires every chairperson to present a draft estimate of its annual budget for review in March of every financial year. The draft estimate of receipts and expenditures are to be approved and/or revised by the VPs and NCs in a public meeting through a simple majority of votes of all members11. The accounts of every VP and NC shall be audited by the Director Local Fund Audit annually or as and when directed by the Secretary of the Local Government & Community Development Department12.

The provincial oversight over the VPs and NCs is maintained through Section 55, which grants authority to a designated officer to initiate an inquiry into the affairs of a panchayat or neighbourhood council. The officer conducting the inquiry shall ‘have the powers of a Civil Court under the Code of Civil Procedure 1908 (VI of 1908) to take evidence and to compel the attendance of witnesses and production of documents for the purpose of inquiry’. The designated officer may also suspend the execution of any resolution or order of the VPs and NCs if judged to be against the rules of the Act and/or not in public interest. The Secretary shall have the power to ‘confirm, modify rescind’ the order of the designated officer13.

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11Section 45: Preparation and approval of estimate of receipts and expenditure
12Section 49: Audit of accounts of panchayat and neighbourhood councils
13Section 56: Power to suspend, modify or rescind a resolution or other action of a panchayat or neighbourhood council
The Act also stipulates the establishment of ‘local boards’ for:

- Inquiring into allegations of misconduct against a chairperson or member under the Act
- Reporting whether a VP or NC is liable for suspension or dissolution because of one or more reasons listed under the Thirteenth Schedule

Every board shall consist of: a chairperson who is, or has been, qualified for appointment as a District Judge; and two members having appropriate professional qualifications and relevant experience. The Chairperson shall be appointed through consultation with the Chief Justice of the Lahore High Court, while the provincial government shall make the decision regarding the two members.

**Reaction to Introduction of the VP & NC**

The new legislation has received a mixed reception from various stakeholders of the local governance system in the Punjab. The government’s claim of true devolution of power to the grass roots through the proposed VPs and NCs has been cautiously praised as a commendable law in spirit. Policy analysts as well as former representatives of local governments are in agreement that the decentralization of the basic unit of governance from the union council to the village panchayat is a step towards empowering local communities. Proponents of the law point out that the simple structure of the governing unit at the village level will ensure participation and effective collaboration for local development schemes. Section 26 is lauded as a positive feature for encouraging inter-municipal cooperation through pooling together of resources with other VPs, NCs, and local governments. The fiscal autonomy provisioned for the VPs and NCs through reserved development funds has been similarly appreciated as true democratization. It is hoped that the authority for budget formation and expenditure approval stipulated for the panchayats and councils will improve public acceptance of these new units as instruments of self-governance.

Introduction of the ‘common assemblies’ as an integral component of the governance system at the village level is seen as an affirmative action for public engagement and transparency. The legislators have projected the VPs and NCs as a model that shall make governance accessible to the common man and reduce the intervening power of area influential. The agency and access granted to residents through the common assemblies is expected to stifle corruption and injustice.

The use of the term ‘panchayat’ for village units has been criticized by many as a misstep in reprising the image of the feudal and autocratic institution of tribal panchayats. Objections against the usage of the term are based on historical records of injustice meted to women, peasants and workers through the arbitrary decisions of rural elites over the centuries.

The issue was also raised at the first consultative workshop conducted at the CPPG as part of the ‘Consultations and Research on Local Government Laws in the Punjab’ project. Representatives of the Local Government & Community Development Department (LG&CDD) from various districts, civil society organizations, as well as the academia, engaged in a spirited debate on the appropriateness of labeling village councils as panchayats. Mr. Zahid Islam, activist and local government law analyst, brought attention to the fact that the superior judiciary (in High Courts and the Supreme Court) has already declared panchayats to be a menace, an unconstitutional parallel judiciary and kangaroo courts. He referred to the petition filed by the National Commission on the Status of Women and others before the Supreme Court of Pakistan in 2012 that asked for declaring the panchayats illegal, unlawful, inhumane and grossly violative of the fundamental rights given in the Constitution. The Supreme Court passed a decision in favor of the petition in 2019.

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14Chapter VII: Local Boards
17For complete judgement, please refer to:
Ms. Bushra Khaliq, women rights activist and Director WISE, pointed out that terming the village councils as panchayats brings to mind a primitive, patriarchal, closed, elitist, tradition-bound institution that has, for centuries, regularly passed judgments against the weak and underprivileged in society, whether they are class-based or gender-based. She referred to research that has shown panchayats to have traditionally compromised human rights and human values of minority groups, especially women. Speaking on behalf of women empowerment organizations, she expressed disappointment over the decision to choose a label that is laden down with such negative connotations.

Although most participants agreed, a few vigorously defended the name panchayat and argued that while historically panchayats have been severely discriminatory, the panchayats created under the 2019 Act would be completely different as they were established under clear provisions of the law. They argued that the name panchayat should be retained as it was part of the region’s indigenous history and, thus, would make the new panchayats more acceptable to the people.

The government claims that the **non-party based elections** envisaged for the VPs and NCs shall increase citizen participation and acceptability of elected representatives. The direct elections on open-list basis have been highlighted as an equalizer that shall weaken clan-based political maneuvering and reduce the influence of caste affiliations. The PTI-led government has expressed confidence that the exclusion of political parties from the electoral race at the village level shall create a more inclusive environment, where track record of community service will now trump party favoritism.

Others, however, do not view it with the same optimism\(^\text{18}\). The opposition has condemned it as part of the incumbent government’s policy to weaken the political base of opposition parties at the grass-roots level. Independent observers support their contention that direct elections at the grass roots have been previously used to undermine political opponents\(^\text{19}\). It is further pointed out the absence of party-based associations in the proposed election process for VPs runs the risk of deepening candidates’ dependence on caste-based affiliations, hence strengthening, once again, the role of strongmen\(^\text{20}\).

However, the biggest obstacle for strengthening grass-roots democracy through the VP&NCA remains **the inadequate fiscal and administrative capacity** of government at the lowest tier. The creation of thousands of units at the village and neighbourhood level is as yet unsupported by any mention of capacity-building measures to be undertaken by the government. There is also a concern about the need of thousands of additional local officers to deal with the affairs of these panchayats and councils. The PLGA 2019 and the VP&NCA 2019 have provisions of a ‘shared’ development budget for the VPs and NCs but the division of funds remains ambiguous.

In conclusion, it can be said that the VP&NCA 2019 has the potential to create strong self-governing communities at the grass-root level provided that the following issues are addressed:

- Delimitation and possible conflict with the stipulations of the West Pakistan Land Revenue Act of 1967
- Extensive technical training and capacity-building
- Fund disbursement
- Clear demarcation of roles of VPs and NCs in delivering functions in relation to other levels of local government.

\(^\text{18}\)Shehryar Warraich, “Local Grievances”, The News on Sunday, September 22, 2019
https://www.thenews.com.pk/tns/detail/568545-local-grievances

\(^\text{19}\)Hasan Javid, “Punjab’s new local government act: An interesting mix of ideas”; May 7, 2019


\(^\text{20}\)Sameen A Mohsin Ali, “The good, the bad and the ugly in Punjab’s new local government”, Herald, July 5, 2019
LOCALIZING SDGS IN SUBNATIONAL FINANCE

Christian Seiler, GIZ
1. Introduction

The 2030 Agenda for Sustainable Development aims to transform the world, setting 17 Sustainable Development Goals (SDGs). One of the key lessons learnt in the Millennium Development Goal process, on which the 2030 Agenda is founded, is that the SDGs need to be localized to be effective. Consequently, subnational governments are one of the basic drivers of implementing SDGs.

Yet, subnational governments require the necessary funds to be able to play their important role in implementing the 2030 Agenda. One major vector of funding subnational governments are intergovernmental fiscal transfers.

In 2016, the National Assembly of Pakistan adopted the 2030 Agenda, to which Pakistan is a signatory, as the national development agenda\(^{21}\). With the passage of the 18th constitutional amendment in 2010, the Federal Government of Pakistan devolved major functions\(^{22}\) such as health, education, environment, and others to its four provinces\(^{23}\).

Furthermore, Article 140A the 18th amendment prescribes the provinces to establish, by law, a local government system and to devolve political, administrative, and financial responsibility and authority to the elected representatives of the local governments\(^{24}\).

In Pakistan, transfers of fiscal resources between different levels of government are regulated by the National Finance Commission (NFC) and Provincial Finance Commissions (PFC)\(^{25}\). The NFC and PFCs fix awards over a five-year period that distribute fiscal resources between the different tiers of government.

2. The 2030 Agenda for Sustainable Development

This study will examine how the implementation principles and goals of the 2030 Agenda could be localized through Pakistan’s fiscal transfer architecture and propose a schematic model. At the same time, the study will also look at how current issues in fiscal decentralization could be resolved through the Agenda’s implementation principles.

With its 17 Sustainable Development Goals (SDGs)\(^{26}\), the 2030 Agenda for Sustainable Development, adopted by the 193-member states of the United Nations, lays the foundations for transforming future economic development on a global scale and in line with ecological sustainability. The ambitious contents of these 17 SDGs reflect and respond to the complex reality in which we live in (GIZ 2017).

To best achieve the goals set by the 2030 Agenda, its implementation is guided by five implementation principles. These are ‘universality’, ‘integrated approach’, ‘leave no one behind’, ‘shared responsibility’, and ‘accountability’.

‘Universality’ acknowledges that the 2030 agenda is universally applicable to all signatories and should be transformed by them into a national development agenda. The principle of ‘integrated approach’ emphasizes the interdependence of the SDGs, while ‘leave no-one behind’ underlines the importance to focus efforts on marginalized groups in society.

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\(^{22}\) See Annex, table Table 7 Reassignment of spending and regulatory functions among different levels of government under the 18th Amendment’

\(^{23}\) The federating provinces of the Islamic Republic of Pakistan are Baluchistan, Khyber-Pakhtunkhwa, Punjab, and Sindh. Furthermore, there are two autonomous areas who also have representative assemblies: Gilgit-Baltistan and Azad Jammu and Kashmir.

\(^{24}\) See Article 140A, Constitution of the Islamic Republic of Pakistan 1973m as Amended by the Constitution (Eighteenth Amdt.) Act, 2010.

\(^{25}\) In Punjab, with the adoption of the Punjab Local Government Act, 2019, the provincial finance commission was replaced by the Local Government Finance Commission with similar functions.

\(^{26}\) See Annex A for a list of all Sustainable Development Goals.
‘Shared responsibility’ recognizes that the development challenges our societies face can only be overcome if they are tackled by all stakeholders in society, including Government, civil society, business, academia, and citizens on an individual level. Finally, the principle of ‘accountability’ ensures regular and inclusive monitoring and evaluation of progress towards the achievement of SDGs.

### 2.1 Pakistan National SDGs Framework

Although there is a common set of SDGs for all signatories, each country's particular challenges with respect to those goals and their relative priorities vary considerably between the countries (Smoke 2017, 16). Thus, there is the need to design and implement a SDG framework that is country specific, considering context, politics, and capacity.

The National Assembly of Pakistan has adopted the contents of the 2030 Agenda as Pakistan’s own agenda and embedded it in the Pakistan Vision 2025. In March 2018, the Planning Commission of Pakistan proposed a Sustainable Development Goals National Framework for Pakistan, which was adopted by the National Economic Council of Pakistan.

The Planning Commission recognized that “for Pakistan some SDG goals and targets are more important than others” (2018, p. 2). In this context, the commission undertook a prioritization to transform the 2030 Agenda into national goals and targets in a complex and multi-layered review of existing polices and analysis of empirical findings on the current state of socio-economic development.

As a result of the prioritization, the SDGs National Framework categorizes the SDGs in three different categories. SDGs in category I are high priority and require immediate attention as desirable outcomes can be achieved in the short run. Category II contains SDGs that require longer timeframes and consistent policy support. The goals in category III have long gestation periods and will require major institutional reforms to achieve desired outcomes. Table 1 gives an overview of the prioritized SDGs.

#### Table 1. Prioritization of the Sustainable Development Goals in Pakistan

<table>
<thead>
<tr>
<th>Category</th>
<th>Priority</th>
<th>Corresponding SDG</th>
<th>National Framework Goal</th>
</tr>
</thead>
<tbody>
<tr>
<td>I</td>
<td>High priority and require immediate attention</td>
<td>SDG 2</td>
<td>Food security through sustainable agriculture</td>
</tr>
<tr>
<td></td>
<td></td>
<td>SDG 2, SDG 3</td>
<td>Improved nutrition and healthy life</td>
</tr>
<tr>
<td></td>
<td></td>
<td>SDG 4</td>
<td>Equitable quality education</td>
</tr>
<tr>
<td></td>
<td></td>
<td>SDG 6</td>
<td>Improved drinking water and hygiene facilities</td>
</tr>
<tr>
<td></td>
<td></td>
<td>SDG 7</td>
<td>Access to affordable, reliable and clean energy</td>
</tr>
<tr>
<td></td>
<td></td>
<td>SDG 16</td>
<td>Responsive institutions that ensure peace and security</td>
</tr>
<tr>
<td></td>
<td></td>
<td>SDG 8</td>
<td>Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all</td>
</tr>
<tr>
<td>II</td>
<td>Require longer timeframes and consistent policy support</td>
<td>SDG 1, SDG 17</td>
<td>Accelerating the rate of poverty reduction through coordinated interventions</td>
</tr>
<tr>
<td></td>
<td></td>
<td>SDG 5, SDG 16</td>
<td>Empowerment of women and girls through institutional strengthening to reduce all forms of discriminations</td>
</tr>
<tr>
<td></td>
<td></td>
<td>SDG 9</td>
<td>Building resilient infrastructure and smart cities not only to the main urban centres but also in rural areas</td>
</tr>
<tr>
<td>III</td>
<td>Long gestation periods and will require major institutional reforms to achieve desired outcomes</td>
<td>SDG 13</td>
<td>Mitigating the impact of climate change</td>
</tr>
<tr>
<td></td>
<td></td>
<td>SDG 14</td>
<td>Conservation and sustainable use of marine resources</td>
</tr>
</tbody>
</table>

Source: Planning Commission of Pakistan (2018)

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Conceding that “these lower goals will be realized only with strong political, policy and institutional support” (201816), the Planning Commission formulated the prioritized SDGs in view of resource and institutional constraints and has set lower targets for the nationally adopted goals than the global goals and targets.

In line with the agenda’s principle ‘shared responsibility’, the implementation of the SDG National Framework of Pakistan “will also require effective collaboration with non-government sector and partnerships with community organizations and private sector to achieve these targets. An enabling environment has to be developed by all tiers of government” (Planning Commission of Pakistan 2018, 16).

### 2.2 Localizing Sustainable Development Goals

One of the lessons learnt from the Millennium Development Goals was that to achieve meaningful change, the SDGs would have to be localized. People themselves need to identify with the SDGs at their level instead of viewing them as an abstract international development agenda imposed from outside their communities.

Local governments are the level of government closest to the people and providers of basic services to their communities. Furthermore, local governments can think holistically about local development compared to specialised sectoral agencies working in silos (Smoke 2017, 5).

While only SDG 11 targets local governments directly, specifically urban local governments, local government functions in basic service delivery coincide with most SDGs. An analysis of the relevance of the SDGs for cities in the United States demonstrated a high relevance of 7 SDGs to the examined cities (Greene and Meixell 2017, 10).

Unsurprisingly, subnational governments have a big share in public expenditure. In Federations, sub-national governments spend on average as much as 18.1 percent of the GDP and 47.6 percent of the total Government budget (OECD 2016).

Thus, local governments need to carry implementation responsibility within the national SDG framework. The SDG national framework of Pakistan reiterates the importance of localization of SDGs, which will ensure inclusivity and sustainability for the achievement of SDGs (Planning Commission of Pakistan 2018).

Nevertheless, inadequate systems, undue central interference, problematic local politics and weak capacity can work against potential benefits of decentralisation (Smoke 2017, 5).

Yet, if subnational governments are to drive the successful achievement of the SDGs, they need to be embedded in robust intergovernmental frameworks and policies that empower, finance, motivate, and support them and their constituents (Smoke 2017).

### 3. Overview of the Local Government Systems

Pakistan’s constitution mandates the creation of local government systems by the provinces and provides some guidelines for their election. However, it does not set a concrete framework as to how the local government system must be designed.

Provinces have passed local government acts (LGA), such as the Khyber Pakhtunkhwa Local Government Act (Amendment) of 2019 and the Punjab Local Government Act of 2019 (PLGA-19). These LGAs set the legal responsibilities of local governments. Consequently, the local government systems differ from one province to another.

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28 SDG 11: Make cities and human settlements inclusive, safe, resilient and sustainable
In Punjab, the local government system was reformed with the passage of the Punjab Local Government Act, 2019, and the Punjab Village Panchayats and Neighborhood Councils Act, 2019. With the adoption of the acts in May 2019, the local governments under the previous system were dissolved and administrators took charge for a transition period that is projected to last one year.

Under PLGA-19, the new system reflects the different requirements of rural and urban areas. In rural areas, Tehsil local governments will be formed. In urban areas, according to the size of the agglomeration, Metropolitan Corporation, Municipal Corporation, municipal committees, or towns will be created. Moreover, there will be local bodies called village panchayats in rural areas and neighborhood councils in urban areas that are not classified as local governments but have organs such as a head, a council, and a common assembly, and have funds to spend on local development. There are no formal linkages between local governments and village panchayats and neighbourhood councils.

In Khyber Pakhtunkhwa, the local government system was also reformed. However, instead of repealing the old system and replacing it with new legislation, the old system was simply amended with the Khyber Pakhtunkhwa Local Government Act (Amendment), 2019 (KPLGA-19). KPLGA-19 abolished the district tier and kept Tehsil local governments and Village and Neighbourhood Councils as the two remaining tiers of local government.

In Punjab, local governments first assumed their offices in 2017 after elections were conducted in 2016. Thus, the financial year 17/18 was the first budget cycle for the new local governments. However, currently, the local governments are dissolved, and functions carried out by administrators. In Khyber Pakhtunkhwa, local government elections were held in 2015 and the local governments assumed their mandates in 2016.

4. Fiscal Decentralization in Pakistan

However, even in high-income countries, current setups exhibit weaknesses or need updating, particularly when it comes to the devolution of fiscal resources. Devolved functions need to be funded according to the mantra ‘finance follows functions’. Yet, unfunded expenditure mandates are not uncommon (Smoke 2017) and are a weakness in many decentralization reforms around the globe.

Hence, fiscal decentralization needs to be a key pillar in reshaping intergovernmental relations. There are three major components of fiscal decentralization reforms, (i) the devolution of fiscal powers, which entails devolving the authority to levy taxes and fees, (ii) intergovernmental fiscal transfers, and (iii) setting up a robust public financial management system that can monitor subnational finances.

Central governments have scale advantages in collecting taxes, while provincial and local governments are often more effective and efficient in the provision of public services due to variations in needs and preferences (Smoke 2017). In consequence, those intergovernmental transfers are inevitable.

Yet, an overreliance on transfers may set negative incentives for subnational governments in revenue generation. It also introduces volatility to public spending, as revenue shortfalls in the Centre then translate automatically into decreased fiscal space at the subnational level.

Furthermore, accountability in spending is decreased as public funds are not directly levied by the subnational governments from their constituents through taxes, but rather stem from transfers. This means that there is no immediate link from the source to how the funds are spent.

4.1 The National Finance Commission Award

In Pakistan, fiscal transfers between the federal government and the provinces are fixed through the National Finance Commission (NFC) award.

The NFC, a body defined by article 160 of the Constitution, is constituted every five years by the President of Pakistan and is headed by the Federal Minister of Finance. Its members are the Ministers of Finance of the four provinces “and such other persons as may be appointed by the President after consultation with the Governors of the Province”\(^{30}\). The NFC concludes with a set of recommendations submitted to the President and National Assembly of Pakistan. This set of recommendations attached with an explanatory memorandum is the NFC award.

The NFC award distributes fiscal resources\(^ {31}\) vertically between Centre and the provinces. The amount that goes to provinces is distributed among them according to a set of criteria, which also gives the NFC the function of horizontal equalization\(^ {32}\).

The first NFC Award was introduced in 1974 with the Constitution of 1973 to ensure revenue sharing and fiscal equalization among the four provinces of Pakistan. In the following, six other National Finance Commissions were constituted, yet, as illustrated in table 2 below, only three were conclusive (Ahmed, Mustafa and Khalid 2007). The eighth NFC, which should have concluded with an award in 2015 (H. A. Pasha 2018) was delayed and has not been issued as of August 2019. In the meantime, the 7th NFC award is still in place and has been extended.

### Table 2 Chronology of NFC Awards

<table>
<thead>
<tr>
<th>Sr. No.</th>
<th>Name</th>
<th>Status</th>
<th>Federal-Provincial Shares in %</th>
<th>Taxes in Divisible Pool</th>
</tr>
</thead>
<tbody>
<tr>
<td>First</td>
<td>NFC Award 1974</td>
<td>Conclusive</td>
<td>20 : 80</td>
<td>Income &amp; Corporate Tax, Sales Tax, Export Duties</td>
</tr>
<tr>
<td>Second</td>
<td>NFC Award 1979</td>
<td>Inconclusive</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Third</td>
<td>NFC Award 1985</td>
<td>Inconclusive</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Fourth</td>
<td>Fourth NFC Award 1991</td>
<td>Conclusive</td>
<td>20 : 80</td>
<td>Income &amp; Corporate Tax, Sales Tax, Export Duties, Consumption and Excise Duties</td>
</tr>
<tr>
<td>Fifth</td>
<td>NFC Award 1995</td>
<td>Inconclusive</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>NFC Award 1997</td>
<td>Conclusive</td>
<td>63 : 37</td>
<td>Income &amp; Corporate Tax, Sales Tax, Export Duties, Consumption and Excise Duties, Import Duties</td>
</tr>
<tr>
<td>Sixth</td>
<td>NFC Award 2002</td>
<td>Conclusive</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>Distribution Order 2006</td>
<td>-</td>
<td>52.5 : 47.5</td>
<td>Income &amp; Corporate Tax, Sales Tax, Export Duties, Consumption and Excise Duties, Import Duties</td>
</tr>
<tr>
<td>Seventh</td>
<td>NFC Award 2009</td>
<td>Conclusive</td>
<td>42.5 : 57.5</td>
<td>Income &amp; Corporate Tax, Sales Tax, Export Duties, Consumption and Excise Duties, Import Duties (Sales Tax on Services transferred to Provinces)</td>
</tr>
<tr>
<td>Eighth</td>
<td>Was programmed for 2015</td>
<td>Delayed</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

Source: Sabir (2010), Bengali (2008)


\(^{31}\) The fiscal resources distributed are called divisible pool. They are constituted of taxes on income, including corporation tax other than taxes on income consisting of remuneration paid out of the Federal Consolidated Fund, taxes on the sales and purchases of goods, export duties on cotton, and such other export duties as may be specified by the President, such duties of excise as may be specified by the President, and such other taxes as may be specified by the President.

The historic announcement of the 7th NFC Award on 18th March 2010 has resolved long-standing issues of distribution of resources between the Federation and provinces, giving provinces substantial funds to fulfill newly devolved functions. Under the 7th NFC award, the provinces were transferred 56 per cent of resources in the first year, rising to 57 per cent in subsequent years. This is a substantial increase from 46.25 per cent in the Presidential Order of 2006 (Pasha and Pasha 2015). It also transferred collection and revenue of the sales tax on services to Provinces (V. Ahmed 2017, 120).

The 7th NFC award coincided with the passage of the 18th Amendment that profoundly transformed Pakistan’s intergovernmental relationships. The amendment not only transferred major functions to provinces, but also introduced a clause in article 160 of the Constitution stipulating that the share of provinces in each NFC award should not be less than the share of the previous award.

### Table 3. Comparing the 7th NFC Award to the Presidential Order of 2006

<table>
<thead>
<tr>
<th>Source: Pakistan Institute for Development Economics (2012), Bengali (2018)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Presidential Order 2006</strong></td>
</tr>
<tr>
<td><strong>Provincial Share in Divisible Pool</strong></td>
</tr>
<tr>
<td><strong>Grants and Subsidies</strong></td>
</tr>
<tr>
<td><strong>Indicators and Weights</strong></td>
</tr>
<tr>
<td><strong>Population</strong></td>
</tr>
<tr>
<td><strong>Poverty</strong></td>
</tr>
<tr>
<td><strong>Revenue Generation</strong></td>
</tr>
<tr>
<td><strong>Inverse Population Density</strong></td>
</tr>
<tr>
<td><strong>Given the Weights indicated above the provincial share in the Divisible Pool works out as follows:</strong></td>
</tr>
<tr>
<td><strong>Punjab</strong></td>
</tr>
<tr>
<td><strong>Sindh</strong></td>
</tr>
<tr>
<td><strong>Khyber Pakhtunkhwa</strong></td>
</tr>
<tr>
<td><strong>Balochistan</strong></td>
</tr>
</tbody>
</table>

At the same time, as shown by table 3 above, the NFC award also equalizes fiscal resources horizontally between provinces. With the 7th NFC, the criteria for the distribution between provinces went, for the first time, further than population and included poverty, revenue generation, and inverse population density.

These criteria were selected in a political process with the goal to balance the interests of the provinces in a country in which Punjab constitutes more than half of the population (Pakistan Institute of Development Economics, 2012, p. 4). However, the weights attached to the additional criteria are rather small and the changes in the allocation of funds are only marginal.

### 4.2 The Provincial Finance Commissions

On the provincial level, the Local Government Acts of the Punjab, Khyber Pakhtunkhwa, and Sindh provide for the establishment of Provincial Finance Commissions (PFC) in the image of the NFC. In Balochistan, there is a Local Government Grants Committee.

All these bodies are headed by the provincial Finance Ministers and their main function is to recommend fiscal transfers to local governments. However, regular provincial award monitoring meetings are not taking place (V. Ahmed 2017, 168) and the PFCs remain largely dysfunctional.
Chapter XI. of the Khyber Pakhtunkhwa Local Government Act 2013 sets the legal framework for the Provincial Finance Commission (PFC).

The KP PFC has at least twelve members of which the majority comes from the provincial government, including its Chairman, the Minister of Finance\(^ {33}\).

The PFC is charged with making a recommendation on the grant to be transferred to the local governments out of the proceeds of the Provincial Consolidated Fund\(^ {34}\). The grants are distributed among local governments following a set of criteria determined by the PFC except for grants to Village and Neighborhood Councils (VC/NC), for which funds are distributed based on the population.

Additionally, the PFC has the possibility to fix amounts of special grants and set the modalities and conditions to access them as well as grants in aid to local governments in need for assistance.

One key provision in the KP LGA 2013 is that the development grants to local governments out of the proceeds of the Provincial Consolidated Fund have to be at least 30 per cent of the provincial annual development budget\(^ {35}\).

The first PFC award was introduced in 2002. However, the PFC was dominated by Federal bureaucrats resulting in the federal government effectively retaining control over fiscal transfers to local governments (Taj and Abdullah 2017, 209).

With the 6th PFC Award, for the first time, the provisions of the KP LGA 2013 were applied. However, as of January 2018, the PFC award had not been finalized yet due to differences on the PFC distribution formula\(^ {36}\).

The proposed 6th PFC award recommended the funds to be distributed between Districts on the basis of four criteria, population, weighted at 50 percent, poverty, weighted at 25 percent, lag in infra-structure, weighted at 20 percent and revenue basis, weighted at 5 percent.

Table 4. PFC awards in Khyber Pakhtunkhwa

<table>
<thead>
<tr>
<th>PFC Award</th>
<th>Status</th>
<th>Period</th>
<th>Amount in Rs. Billion per financial year</th>
</tr>
</thead>
<tbody>
<tr>
<td>1st PFC Award</td>
<td>Interim</td>
<td>2002</td>
<td>15.162</td>
</tr>
<tr>
<td>2nd PFC Award</td>
<td>Interim</td>
<td>2003</td>
<td>16.098</td>
</tr>
<tr>
<td>3rd PFC Award</td>
<td>Interim</td>
<td>2004</td>
<td>18.773</td>
</tr>
<tr>
<td>4th PFC Award</td>
<td>3 years</td>
<td>2005 – 2008</td>
<td>29.412</td>
</tr>
<tr>
<td>5th PFC Award</td>
<td>3 years</td>
<td>2008 – 2011</td>
<td>32.248</td>
</tr>
<tr>
<td>6th PFC Award</td>
<td>Not notified, yet</td>
<td>2016 - 2017</td>
<td>168.640</td>
</tr>
</tbody>
</table>


However, the proposed version of the 6th PFC award shows a drastic increase in funds transferred to local governments, as table 4 indicates. This is a consequence of the provision in the LGA that 30 percent of the provincial annual development budget should be transferred to local governments.

\(^{33}\) See Article Khyber Pakhtunkhwa.

\(^{34}\) According to Article 118 of the Constitution of the Islamic Republic of Pakistan, the Provincial Consolidated Fund consists of all revenues received by the Provincial Government, all loans raised by that Government, and all moneys received by it in repayment of any loan.

\(^{35}\) See Article 53 (a) of the Khyber Pakhtunkhwa Local Government Act 2013.

4.2.2 PUNJAB

In the Punjab, the current PFC award for 2017 is an interim PFC award. A five-year award is expected to be announced with the full Provincial Budget of Financial Year 2018/2019 after the July 2018 election. In total, development grants to local governments under the current interim Punjab PFC award have been very low at only 6.4 percent of the overall provincial development budget. It is especially concerning that out of these 6.4 percent, the lion’s share, 82 percent of the total allocable amount, went to the District Health and Education Authority. These bodies, although they are official part of the local government system, are mainly controlled by provincially appointed bureaucrats. Many of the elected members of Union Councils are not even aware of the existence and functions of these authorities.

However, it is likely that with ongoing revisions of the local government system in Punjab, local governments will receive more functions and funds. Consequently, the PFC could take a central role in sustaining the new local government act.

4.3 Critical issues in fiscal decentralization in Pakistan

Pakistan’s intergovernmental fiscal arrangements currently suffer from several critical issues that are rooted in the design of its fiscal transfer system. These issues constrain the ability of local governments to play their role and thus are a major impediment to localizing SDGs.

4.3.1 FISCAL IMBALANCES AND DEPENDENCE ON FISCAL TRANSFERS

The 7th NFC award and the 18th amendment have transferred functions and funds to provinces. While this has led to provinces considerably expanding expenditure, it has not been followed by limiting Central Government expenditure (Pasha and Pasha 2015, 126). As a result, current expenditure is one of the main drivers of fiscal deficits in the Federal budget (Iqbal and Sabir 2018, 33).

The second driver is the shortfall of revenue (Benagli 2018). The resulting fiscal imbalance will have to be addressed with more effective devolution of taxation powers to subnational governments (V. Ahmed 2017, 165) and more expenditure control on the Federal level.

As a result, a critical fiscal gap has emerged for the Central Government. As of FY 2015/16, the provincial share of general government expenditure stood at 35 percent. However, the provinces’ share of expenditure to general government revenue was significantly higher at around 50 percent in FY 2015/16 pointing to a significant structural deficit at the federal level (IMF 2017). Table 5 shows the impact of the 7th NFC on revenues.

The NFC award transfers account for 89 per cent of provincial revenues, a result of large fiscal imbalances due to the assignment of functions and fiscal powers between Federal Government and Provinces (Pasha and Pasha 2015, 122). Similarly, local governments rely heavily on fiscal transfers from Provincial Governments.

The fiscal imbalances are demonstrated in Figure 1. Although the share of the Centre in total tax collection has slightly decreased from 96 percent to 92 percent, the expenditure share of provincial governments has increased from 25 percent to 37 percent within the same time frame.

This means that although provincial governments only collect 8 percent of the taxes, they account for 37 percent of all expenditure. Even more remarkably, in the financial Year 2016/2017, provincial governments undertook 50 percent of all development expenditure (Iqbal and Sabir 2018, 15).

77
Ideally, subnational governments must raise an adequate share of the resources they spend (UCLG 2015, 7). This reduces demands on central budgets (Smoke 2017, 8) and creates a fiscal linkage between benefits of local services and the costs of providing them leading to more efficient outcomes (Hart und Welham 2016, 11).

But high dependency on fiscal transfers might dampen subnational revenue generation (Smoke 2017, 10). Subnational governments may find it easier to rely on fiscal transfers from the Provincial or Federal government instead of raising money from their own communities, potentially antagonizing voters and having to “bargain” with their voters (PIDE 2012, 21). Even more, they may anticipate increased scrutiny over the use of funds raised directly from their constituents. Instead they may opt to rely on fiscal transfers that come with weaker accountability.

In Pakistan, the devolution of fiscal resources was not synchronized with strengthening public financial management frameworks at the provincial level (IMF 2017, 54). Deteriorating PEFA indicators linked to transparency, planning, and auditing at provincial level are a flashing warning light of weak controls and a sign that devolution has not fulfilled its promise of better governance and service delivery, yet (V. Ahmed 2017, 165).

Although provincial governments were transferred more taxation powers in the 7th NFC award, their effective contribution to revenue generation remains dismal generating taxes equivalent to 0.86 percent of the GDP in FY 2015/2016 (Iqbal and Sabir 2018).

4.3.2 LOW LEVELS OF REVENUE MOBILIZATION BY SUBNATIONAL GOVERNMENTS

Figure 1. Percentage Share of Federal and Provincial Taxes and Expenditure per financial year

![Figure 1. Percentage Share of Federal and Provincial Taxes and Expenditure per financial year](image)

Source: Iqbal & Sabir (2018, p. 15) original data from Pakistan Fiscal Operation

Although provincial governments were transferred more taxation powers in the 7th NFC award, their effective contribution to revenue generation remains dismal generating taxes equivalent to 0.86 percent of the GDP in FY 2015/2016 (Iqbal and Sabir 2018).

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According to a study conducted by the Institute for Social and Policy Sciences (2016), the stark influence of vested political interests prevents any noticeable revenue generation by provinces from services and agriculture.

There is also little incentive in the NFC and PFC distribution formulas that may encourage revenue generation. The criterion of revenue generation is only weighted at 5 percent in the NFC award.

Most of local governments also do not raise sufficient taxes. In the case of the Punjab, many municipalities do not even charge fees for services provided such as waste disposal and water supply.

Even the big municipalities in Punjab, Lahore and Faisalabad have trouble generating any significant amount of own source revenue (I-SAPS 2016, 22). The share of own source revenue of their overall budget is 8 percent and 3.6 percent respectively.

The situation at District and especially at Tehsil level in Khyber Pakhtunkhwa is more encouraging, the own source revenue generation from fees and taxes by the Tehsil Municipal Administrations in Khyber Pakhtunkhwa has almost tripled in the span of five fiscal years. Encouragingly, it not only grew consistently in the major urban areas but throughout the province.

Tehsil Haripur managed to generate 60 percent of its budget in the financial year 2015-2016 through own source revenue. Tehsil Nowshera still managed to generate a considerable 30 percent of its budget through fees and taxes.

4.3.3 INSUFFICIENT HORIZONTAL EQUALIZATION

The principle “Leave No-one Behind” of the 2030 Agenda for Sustainable Development stipulates the need for horizontal equalization to give less developed areas the opportunity to close development gaps.

Although the 7th NFC award introduced three additional criteria for the distribution of fiscal transfers between provinces, backwardness, inverse population density, and revenue generation, their combined weight is only 28 percent compared to 82 percent for the population criteria.

**Table 5. Relative percentage share of NFC award per province**

<table>
<thead>
<tr>
<th>Province</th>
<th>Share of provinces in National Finance Commission Award in %</th>
<th>National HDI 2017</th>
<th>Level of Development according to NHDI 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Punjab</td>
<td>60.25</td>
<td>57.97</td>
<td>57.87</td>
</tr>
<tr>
<td>Sindh</td>
<td>22.50</td>
<td>23.34</td>
<td>23.29</td>
</tr>
<tr>
<td>Balochistan</td>
<td>3.86</td>
<td>5.30</td>
<td>5.30</td>
</tr>
</tbody>
</table>


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41 According to data received from the Khyber Pakhtunkhwa Local Council Board, own source revenue of Tehsil Municipal Administrations increased from Rs. 1.96 billion in FY2012/13 to Rs. 6 billion in FY2016/17.
42 According to the official budgets of TMA Haripur and Nowshera.
According to Pakistan’s National Human Development Report (UNDP 2018), provinces vastly diverge in terms of development. The province of Punjab received a high medium score at 0.732 on a scale of 1, with Sindh and Khyber Pakhtunkhwa at 0.640, and Baluchistan ranked at low development with a score of 0.421. The former Federally Administered Tribal Areas that have been integrated into Khyber Pakhtunkhwa in 2018 received a score of 0.216.

Yet, the gulf in levels of development is not adequately reflected in the distribution of funds. While the 7th NFC award did almost double the share of Baluchistan, the province of Punjab still dominates the allocation to provinces from the NFC award with a share of over 50 percent.

On the provincial level, only one province has notified a PFC award that redistribute funds between local governments, although there are vast difference in development between different districts (H. A. Pasha 2018) and urgent need for fiscal equalization at the local level.

5. The role of the NFC and PFCs in localizing SDGs

Finance is critical for the successful implementation of the Sustainable Development Goals. Yet, as outlined above, local governments lack fiscal space to even provide basic services to citizens.

Thus, subnational finance has been characterised as the missing link in sustainable development finance (UCLG 2015). To ensure meaningful progress towards the achievement and localization of SDGs, subnational governments need supplementary funding that is linked to SDG targets.

Fiscal transfers under the National Finance Commission and the Provincial Finance Commissions play a critical role in subnational government finances. Hence, linking the SDGs to NFC and PFC transfers could be an effective way of localizing SDGs.

There are two ways in which the localization of SDGs could be financed through the NFC and PFC awards. The simpler approach is the creation of conditional grants related to the achievement of SDG targets based on incremental changes in government expenditure (Schmidt-Traub 2015).

More complicated is a costing approach to localizing SDGs. The idea is that Federal or provincial governments, respectively, would have to analyze the costs of transferred or devolved government functions and the supplementary costs of development expenditure needed by provincial and local governments to achieve SDG targets. The NFC and PFC awards would then be based on this cost analysis. Both approaches could be combined to effectively finance the localization of SDGs. However, increasing fiscal transfers is not sufficient and incentives on revenue generation, ownership, and accountability have to be taken into account.

5.1 Costing of Functions and SDG Targets

In light of restricted fiscal space, some governments, in particular state governments in Australia (Government of Western Australia 2015) (Local Council Association of South Australia 2013), as well as, notably, the Kenyan government (Transition Authority of Kenya 2015), conducted an evaluation of the costs of services delivered.

The costing of these public services and goods have assisted governments to better understand their actual costs and helped prioritizing services (Transition Authority of Kenya 2015). It could also act as a guideline to price services adequately.

In Pakistan, budgeting is done both on a cost basis, in the case of the development budget, and based on incremental changes in the current budget. However, the development budget is relying on roughly approximated costs of projects and incremental increases following historic budget data.

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43 The calculation of the national Human Development Index differs from the global Human Development Index and is not fully comparable.
44 Even though Punjab has notified a PFC award, it did not include horizontal equalization among Union Councils of their PFC share and each Union Council received a uniform grant, indicating that the PFC award contributes little to a more equitable development.
This does not reveal how much certain government functions and provision of services cost. It would be interesting to analyze the costs of service provision and the level of service provision required to achieve SDG targets, so that fiscal transfers to subnational governments can be adequately adjusted to the Table 6. Mapping of service provision on SDG targets “finance follows functions”.

5.1.1 THE 2015 TRANSITION AUTHORITY OF KENYA STUDY

The study by the Transition Authority of Kenya (2015) applied two approaches and was both a cross-sectional and longitudinal analysis. In the cross-sectional design, a survey of all County Governments and the Central Government was carried out. Additionally, in the longitudinal design, over a period of 10 years, time series data on expenditure by selected departments and ministries was collected.

The study used two approaches that are used in costing studies. These were an activity-based costing approach that builds unit costs of service by considering inputs used to provide the service and a macro costing approach that relied on past expenditure to estimate cost of the services.

Primary data from National Government and County Governments and secondary data from relevant departments and government agencies was collected to accomplish the objectives of the study.

In the first approach, for each service, a detailed service delivery process was identified, and all resource inputs measured and costed. In the second approach, total expenditure of departments was broken down to units of services by allocating expenditure to cost centers, determining the number of units of services, and finally computing the costs of units of services.

5.1.2 APPLYING COSTING TO THE NFC AND PFC AWARDS

The costing approach lends itself to linking localizing SDGs with their targets to subnational government finance. This study proposes a process that could be adopted by the NFC and PFCs. The integration of costing could encompass five steps of the process, outlined in Figure 2.

![Diagram of cost integration process]

1. Disaggregation of National SDG Targets
2. Cost analysis of devolved functions
3. Cost analysis of services required to achieve SDG targets
4. Consolidation of requirements with available resources by the National/Provincial Finance Commission
5. Grant allocation to Provincial/Local Governments (NFC or PFC award)

DISAGGREGATION OF NATIONAL SDG TARGETS

As a first step, each of the SDG targets in the national SDG framework can be assigned to one or multiple sectors. Within these sectors, specific services can be identified that are key to fulfilling SDG targets. The different identified services are then associated to the level of government responsible for the relevant functions.
This enables a clear identification of all services that contribute to the achievement of concrete SDG targets. In the next step, the identified services by the relevant levels of government are clustered.

For the NFC Award, services performed by provincial government and local governments are relevant. As the local government acts of the provinces differ from one another, the association of services to local governments will have to be conducted separately for each province.

For the PFC Award, only services delivered by local governments are relevant. It would be efficient if the disaggregation of national SDG targets could be conducted at the PFC level first. The results could then be used by the National Finance Commission. However, in reality, not every province has constituted a PFC or adopted a PFC award.

Figure 5 below gives a schematic and non-exhaustive example of how the disaggregation of one specific target (target 6.1) on “universal and equitable access to safe and affordable drinking water”, could be conducted.

It is important to note that, since SDGs are interconnected according to the principle of ‘Integrated Approach’, even though the specific services have been identified by disaggregating targets, they, themselves may contribute to multiple targets at the same time.

For example, the provision of rural water supply schemes does not only contribute to the achievement of target 6.1, but also to improving incomes of farmers through better access to irrigation, and, thus, to target 1.2 reducing poverty.

Moreover, the impact may not always be exclusively positive. One service that contributes positively to an SDG target, may contribute negatively to another. For example, water resource projects may positively contribute towards electrification, reduction of poverty, and water supply, but at the same time, negatively impact environmental goals.

In consequence, the relationship between each identified service and the different relevant SDGs should be mapped, as well, as illustrated in Table 6 below.
In the 2nd step, the functions that have been transferred to provincial governments or devolved from provincial governments to local governments need to be costed. Following the approach taken by the Transition Authority of Kenya (2015), transferred and devolved functions should be costed on an activity-based costing approach and a macro costing approach.

The activity-based costing approach would entail analyzing the process in which each service is delivered and then costing all inputs in the process, including costs of salaries of officers and personnel. The macro approach would include breaking down aggregated government budgets into expenditure associated with certain service delivery.

The cost analysis would give a clear picture on the costs of each transferred or devolved service. While it would require a detailed study and encompass working with large longitudinal and cross-sectional sets of data, such a study would have many benefits beyond “localizing SDGs”. It would enable policy makers in making services more efficient, adapting fiscal transfers, as well as prioritizing certain services over others.

Given fluctuating prices, inflation, and changing services, the exercise would have to be repeated before every NFC or PFC award. However, it should be relatively easy to do follow up.

**COST ANALYSIS OF SERVICES REQUIRED TO ACHIEVE SDG TARGETS**

Step three links the two first steps to answer the key question, which is, “how much funds are needed to realistically achieve SDG targets?” The question can be answered by asking to other questions (i) “how far are we from achieving SDG targets?” and (ii) “what impact does a specific service have on SDG targets?”

In reality, many factors may contribute to the achievement of SDG targets. Furthermore, the impact of the delivery of a specific service, e.g. provision of clean drinking water sources, on the progress to achievement of SDGs is often impossible to exactly determine.

However, statistical methods may help estimating the effect of specific services on the achievement of SDGs and the ‘effort’ that is needed to achieve the SDG targets with a sufficient likelihood. The process involves multiple steps and is outlined in Figure 4 below.
Table 6. Mapping of service provision on SDG targets

<table>
<thead>
<tr>
<th>How far from achieving SDG targets?</th>
<th>What impact does a service have on SDG achievement?</th>
<th>How much funds are needed to realistically achieve SDG targets?</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Measuring distance to SDG achievement</td>
<td>• Map services on to relevant SDG targets</td>
<td>• Based on Monte Carlo Simulation and estimation of impact of service, calculate the amount of services needed</td>
</tr>
<tr>
<td>• Monte Carlo Simulation to estimate probability of achieving SDG target based on past trend</td>
<td>• Multi-variate estimation of impact of service on mapped SDGs</td>
<td>• Calculate the total cost of additional services needed by multiplying the cost of services with the amount needed;</td>
</tr>
</tbody>
</table>

**MEASURING DISTANCE TO SDG ACHIEVEMENT**

First, the distance towards the achievement of SDGs has to be measured. The OECD (2017) has developed a framework that quantitatively assesses the distance of countries towards the fulfillment of indicators and, thus, the achievement of SDG targets.

The methodology relies on standardization of indicators. As the indicators of SDG targets are diverse and not comparable between each other, they have to be standardized, which is the process of putting different variables, in this case SDG targets, on the same scale. This makes it possible to measure the distance towards the fulfillment of the indicators and achievement of the targets.

Although the OECD study’s methodology relies on OECD countries’ data to standardize the SDG targets, the methodology can be used by non-OECD countries as well (OECD 2017, 13). Hence, it could be used on a provincial level as well as on a District level, if sufficient data is available.

Going a step further, the effort required to achieve targets needs to be quantified as well using so called Monte Carlo Simulations. Monte Carlo simulations can estimate, based on past trends, likely scenarios and their likelihood of occurring. For example, they could give a probability of achieving SDG targets using past trends and, thus, indicate if more effort or investments are required to achieve targets (OECD 2017, 19).

Following the measuring of distance to target and likelihood of achieving targets, the identified services have to be quantified in terms of their contribution to the achievement of indicators of the relevant targets.

**ESTIMATING IMPACT OF SERVICE DELIVERY ON SDGS**

It is often impossible to exactly measure how much exactly any given service could contribute to rather abstract indicators, however, the effect of an intervention, or service provision in this case, can be estimated using regression analysis.

Hall, Ranganathan, and Kumar (2017) developed a micro-level modeling framework that was used to quantitatively estimate the impact of rural water interventions on the achievement of SDGs. Their approach can be used as a template to measure the impact of interventions in other sectors as well, replacing “rural water interventions” with “construction of basic health units,” for example.

Furthermore, their approach can measure impacts of interventions on multiple SDG targets. Having mapped service delivery on different SDG targets, the impact of each service on SDG achievement could be estimated.
This, together with the measured distance to and the likelihood of achieving SDG targets, would enable an estimation of how much additional service provision is needed to achieve SDG targets with a high probability.

As the devolved functions and services have been costed in a previous step, if we have the effort, measured in terms of additional service provision, we can easily calculate the costs of these services. It follows that we can calculate the additional funds needed by subnational governments to realistically achieve SDGs.

**5.1.3. LIMITATIONS TO COSTING**

There are certain limitations to the costing of government services as well as to the process outlined above. These limitations may render the process unfeasible. However, a small pilot study on one specific SDG target could be conducted to test feasibility and help clearly identify issues.

Most importantly, it needs to be emphasized that the costing exercise is based on estimations and simplifications as “the ‘true’ cost of service delivery across jurisdictions is difficult to assess.” (Blöchliger and Charbit 2008, 9).

The statistical methods proposed in this study require both a high technical skill in quantitative analysis as well as broad availability of data at all levels of government. The skill requirements may be a major hurdle in effectively localizing and implementing the 2030 Agenda and may require significant strengthening of capacities (SDSN 2015). All the more, the collection and analysis of the data may prove to be a costly task, especially if they are not readily available and have to be collected for the first time.

They also rely heavily on available cross sectional as well as longitudinal data. The Monte Carlo simulation may not be the most intuitive statistical computation and sufficient capacity is required.

Furthermore, the costing of services must be handled with care. First of all, the costing exercise will have to be repeated periodically as prices of inputs are subject to inflation and the nature of the service provision may change which has an influence on its costs.

Moreover, the cost of specific services may vary considerably depending on the environment in which it is provided. For example, the construction of a road may be more expensive in mountainous areas than in flat areas.

A solution to this problem may be to add multiplicators to the fund distribution formula that considers differences in costs as a result of environmental factors. However, this might prove akin of opening the box of Pandora, as the argument whether a multiplicator may be applied and how big the multiplicator would be, will be a political negotiation that may result in tensions between local governments from different parts of the province.

Even if the exercise of costing government services is not done due to the lack of data availability, a study that measures distance to SDG targets as well as the projection, i.e. the Monte Carlo simulation, whether those targets can be reached.

If this model is pursued, then the data needs to be updated regularly. It would be advisable to conduct a follow up study once a new NFC or PFC is constituted. Moreover, the studies should be integrated and sequenced. If a study is conducted for the NFC, the PFCs can use the collected data as input to their deliberations.

**5.2 Tools to Localizing SDGS through the NFC and PFC**

In addition to the costing approach outlined above, the NFC and PFC can incentivize the localization of SDGs and the 2030 Agenda for Sustainable Development through different means and ways. It is important to stress that this does not only mean the provision of fiscal resources for the achievement of SDGs, but also contributing to the implementation of the agenda’s core principles.
5.2.1. CONDITIONAL GRANTS

In some countries, fiscal transfers are earmarked, and sub-central governments perform public services under explicit financial control of the central government (Blöchlinger and Charbit 2008, 15). They are so called conditional grants.

In Pakistan, the grants under the NFC and PFC awards are unconditional in their use, however, there is a categorization in current expenditure grants and development grants that have to be used for investments into public goods and services. The Punjab PFC award also includes ‘transition grants’ that are only destined to cover budget shortfalls, as local governments are unable to take on debt.

Conditional grants can be a means to align subnational expenditure with the priorities of the Centre. Thus, they could be an effective tool to localize the national SDG framework. By attaching strings to grants, the Centre could ensure that funds that are provided for the localization of SDGs are effectively spent on service that contribute to the achievement of targets.

This is especially relevant in connection with the schematic model presented in section 0. If the costs of additional service delivery required to realistically achieve SDG targets can be estimated, then the NFC and PFC could recommend supplementary grants equal to the costs.

Even if there is no exact estimate on funds required to achieve SDG targets, conditional grants could still be a useful instrument in targeting subnational government expenditures to better achieve SDGs.

However, conditional grants raise considerable efficiency concerns. Earmarking is an input rather than an output- or outcome-related strategy. It brings about considerable administrative burden and compliance cost for both the central and sub-central governments (Blöchlinger and Charbit 2008, 15).

Strong conditionality may also create incentives to over-privilege certain sectors or to invest in infrastructure that subnational governments do not have resources to operate and maintain (Smoke 2017).

Another efficiency concern is, that the information advantage elected local governments have on the preferences and needs of their constituents all but vanishes if they become mere executors of Provincial or Central Government schemes designed by bureaucrats.

Moreover, conditional grants restrict the autonomy of subnational governments in their expenditures, thereby weakening downward accountability on public spending by citizens as well as the effectiveness of local governments.

The example of India cautions against the overuse of conditional grants. Local governments in India are overly dependent on grants from higher tiers of Government (Raghunandand 2014, 5). In addition to State transfers, the local governments receive funds for the implementation of various central schemes, in which they have very little flexibility in the use of funds.

Furthermore, their fiscal space for development projects is severely limited even with the reception of general purpose grants. A bulk of what is available is needed for administration and the local governments are hardly in a position to execute any developmental schemes (Rao 2004).

Nonetheless, if considered as a complimentary tool, conditional grants could be an effective tool in the localization of SDGs.

5.2.2. MATCHING GRANTS

Pure conditional grants give subnational governments little stake in the sustainable implementation of expenditure. The 2030 Agenda made it clear that the achievement of SDGs is not be the sole responsibility of National Government but should involve all tiers of Government as well as other parts of society.

A form of matching grants could be a more effective tool to encourage subnational revenue generation and participation of the civil society and private sector in the achievement of SDGs (V. Ahmed 2017, 167).
The simplest form of matching grants is to introduce an element in the awards that rewards revenue generation (Blöchlinger and Charbit 2008, 9) in the distribution of unconditional grants. This is already the case in the NFC and the Punjab PFC awards.

Another form might be to provide conditional grants for the achievement of SDGs as outlined in the previous section. However, to introduce a real stake for local governments, these conditional grants could be designed as matching grants, which, to a certain percentage match the local governments’ contribution in a given sector and on services that are aligned with the national SDG framework priorities. Last but not least, these conditional matching grants could be opened towards contributions by the community, civil society, and private sector, following the Agenda 2030 principle of “Shared Responsibility”.

Based on national priorities as well as the requirements of the community, all of its stakeholders could come together and join forces in investing into projects contributing to sustainable development.

5.2.3. INCENTIVES FOR LOCAL REVENUE GENERATION

Localization of SDGs must also mean that measures contributing to the achievement of SDGs come from local sources to avoid a mere top-down approach in which local governments are restricted to the role of execution of predetermined schemes. The NFC as well as the PFC have key roles in incentivizing subnational governments to raise more own source revenue.

As has been noted in section 4.3.2., currently, subnational, and especially, local governments are highly dependent on vertical fiscal transfers. This dependency poses significant challenges for establishing downward accountability of local governments towards citizens, as well as linking the provision of public services to costs.

One way to give local governments a stake in SDG achievement was mentioned in the previous section. Conditional matching grants would incentivize local governments to generate more revenues in order to not leave “free” grant money from the Provincial Government on the table.

Secondly, a major incentive for subnational governments would be to introduce or assign more weightage to a ‘revenue generation’ criterion in the distribution formula of the NFC and PFC awards. This ‘revenue generation’ criterion should reward subnational governments efforts to raise own source revenue.

However, this criterion must be defined with care. The criterion and the formula of the resource distribution need to be transparent. The criterion itself should not simply denote revenue generated in absolute terms but needs to have a relative aspect that measures effort rather than absolute numbers.

This is required to avoid punishing areas with a weak economy or rural areas versus rich urban centers of economic activity. One idea could be to standardize revenue generation with levels of population, as well as human development.

5.2.4. LEAVING NO ONE BEHIND

Essentially, horizontal fiscal equalization is the solidarity shown between richer and poorer subnational governments meaning that areas that produce more revenues give up a relative share of this so that areas that generate less revenues can benefit from a similar level of service provision.

One of the key principles of the 2030 Agenda for Sustainable Development is “leave no one behind”, meaning that the low hanging fruit, i.e. already developed areas, should not be prioritized in the achievement of SDGs at the expense of less developed regions.

As noted in section 0, Pakistan still has room to equilibrate divisible pool resources among provinces and the gulf in development as measured by the national HDI is still large. Equally, the PFC in Punjab and Khyber Pakhtunkhwa need to introduce a more equitable distribution of resources, especially in light of a growing urban and rural divide in those provinces as the major urban centers Lahore and Peshawar profit from mega projects to improve public mass transit and consume the majority of the province’s development budget.
One way to achieve this is to fine tune the criteria of the NFC and PFC awards. Furthermore, the costing exercise proposed in section 0 could contribute to a more even distribution of resources across provinces, helping local governments to invest more funds into development expenditure that targets SDG achievement. If required, a multiplicator could be introduced for the least developed local government units, so that they receive more funds than other local governments.

## 6. Conclusion

This paper provided a schematic proposal of how sustainable development needs could be quantified in terms of public service delivery as well as the costs attached to this service delivery. Further development of this schematic proposal is needed to arrive at a workable model.

Even then, in practice, the approach suggested may not be feasible due to lack of capacities, high costs, and unavailability of data. Moreover, it is crucial to keep an eye on the limitations and dangers of costing outlined in section 5.1.3.

Yet, even if the proposal is unfeasible, the study revealed how the current issues of fiscal decentralization in Pakistan are hampering the effective localization of SDGs. At the same time, the herculean task of localizing the 2030 Agenda and its goals and principles could serve as the spark that transforms the current fiscal arrangements and solves the long standing issues of fiscal imbalances, low levels of revenue generation, poor service delivery, and poor public financial management, that haunt the country on all tiers of government.
Bibliography


Hall, Ralph P., Shyam Ranganathan, and Raj GC Kumar. "A general micro-level modeling approach to analyzing interconnected SDGs: achieving SDG 6 and more through multiple-use water services (MUS)." *Sustainability* 9, no. 2 (2017): 314.


### Table 7 Reassignment of spending and regulatory functions among different levels of government under the 18th Amendment

<table>
<thead>
<tr>
<th>Federation/CCI (joint federal-provincial) tasks (Federal Legislative List Part II)</th>
<th>Provincial Responsibilities</th>
</tr>
</thead>
<tbody>
<tr>
<td>Electricity</td>
<td>Legal, medical, and other professions</td>
</tr>
<tr>
<td>Minerals, oil, and natural gas</td>
<td>Federal functions (Federal Legislative List Part I)</td>
</tr>
<tr>
<td>Railways</td>
<td>Defense</td>
</tr>
<tr>
<td>Major ports</td>
<td>External affairs and international treaties</td>
</tr>
<tr>
<td>Censuses</td>
<td>Immigration and citizenship</td>
</tr>
<tr>
<td>Public debt</td>
<td>Post and telecommunications</td>
</tr>
<tr>
<td>Federal corporate entities, including the Water and Power Development Authority and Pakistan Industrial Development Corporation</td>
<td>Central banking, currency, foreign exchange</td>
</tr>
<tr>
<td></td>
<td>Corporate regulation, including banking and insurance</td>
</tr>
<tr>
<td></td>
<td>Fishing beyond territorial waters</td>
</tr>
<tr>
<td></td>
<td>Standards of weights and measures</td>
</tr>
<tr>
<td>Provincial Responsibilities</td>
<td>All residual functions</td>
</tr>
<tr>
<td>Local government</td>
<td>As determined by the Local Government Acts of the provinces</td>
</tr>
</tbody>
</table>

Source: Shah (2012)
Table 8. The 7th NFC Award Comparative Financial Impact of Divisible Pool Changes

<table>
<thead>
<tr>
<th>Federal Revenues</th>
<th>Punjab</th>
<th>Sindh</th>
<th>Khyber Pakhtunkhwa</th>
<th>Balochistan</th>
</tr>
</thead>
<tbody>
<tr>
<td>Impact of change in Design due to the 7th NFC Award: Absolute Amount (Rs in Billion)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2010-11 RE</td>
<td>-135.8</td>
<td>25.4</td>
<td>23.0</td>
<td>40.2</td>
</tr>
<tr>
<td>2011-12 RE</td>
<td>-180.8</td>
<td>43.8</td>
<td>33.2</td>
<td>54.1</td>
</tr>
<tr>
<td>2012-13 RE</td>
<td>-188.8</td>
<td>45.4</td>
<td>34.4</td>
<td>56.8</td>
</tr>
<tr>
<td>2013-14 RE</td>
<td>-223.1</td>
<td>51.1</td>
<td>38.4</td>
<td>64.8</td>
</tr>
<tr>
<td>2014-15 RE</td>
<td>-261.5</td>
<td>61.2</td>
<td>46.6</td>
<td>74.7</td>
</tr>
<tr>
<td>2015-16 RE</td>
<td>-305.2</td>
<td>75.3</td>
<td>58.0</td>
<td>89.6</td>
</tr>
<tr>
<td>2016-17 RE</td>
<td>-347.8</td>
<td>83.9</td>
<td>64.2</td>
<td>101.6</td>
</tr>
<tr>
<td>Relative Impact [As a percentage of FBR Taxes] (%)</td>
<td>0.0</td>
<td>0.0</td>
<td>0.0</td>
<td>0.0</td>
</tr>
<tr>
<td>2010-11 RE</td>
<td>-8.7</td>
<td>1.6</td>
<td>1.5</td>
<td>2.6</td>
</tr>
<tr>
<td>2011-12 RE</td>
<td>-9.4</td>
<td>2.3</td>
<td>1.7</td>
<td>2.8</td>
</tr>
<tr>
<td>2012-13 RE</td>
<td>-9.6</td>
<td>2.3</td>
<td>1.7</td>
<td>2.9</td>
</tr>
<tr>
<td>2013-14 RE</td>
<td>-9.9</td>
<td>2.3</td>
<td>1.7</td>
<td>2.9</td>
</tr>
<tr>
<td>2014-15 RE</td>
<td>-10.1</td>
<td>2.4</td>
<td>1.8</td>
<td>2.9</td>
</tr>
<tr>
<td>2015-16 RE</td>
<td>-9.9</td>
<td>2.4</td>
<td>1.9</td>
<td>2.9</td>
</tr>
<tr>
<td>2016-17 RE</td>
<td>-10.0</td>
<td>2.4</td>
<td>1.8</td>
<td>2.9</td>
</tr>
</tbody>
</table>

Source: Iqbal and Sabir (201825), original source based on Estimates based on Explanatory Memorandum on Federal Receipts, Finance Division, Government of Pakistan
A CRITIQUE OF “LOCALIZING SDGS IN SUBNATIONAL FINANCE”

Ahmad Iqbal Chaudhary
Ex-Chairman District Council, Narowal
The premise of Seiler’s (2019) paper that localization of SDGs is critical for successful implementation and achievement is valid. This also reinforces the fact that centralization of the development agenda might have contributed to a critical lapse in the achievement of MDGs. We know that Pakistan failed to achieve the benchmarks on all the 15 MDGs by 2015. It must be noted, however, that this was a time of transition of powers between Federal, Provincial and Local Governments in after the passage of the Eighteenth Amendment. This failure was more pronounced for the social indicators such as health, education, population and women empowerment which were key sectors to be devolved.

Pakistan became a signatory of the agenda in 2000 along with 188 other countries and the process of administration reform within the country started in 2001 with the introduction of the PLGO during Musharraf tenure. With the passage of the Eighteenth Amendment in 2010, seventeen ministries were devolved to provinces including health, education, local government, women development etc. Without a defined interprovincial coordination mechanism, the implementation of the development agenda became extremely constrained. World Bank research also points towards the role of governance and institutions in the capacity for implementation of reform (2019).

The paper addresses two questions:

1) How can the implementation principles and goals of SDG Agenda be localized through Pakistan’s fiscal transfer architecture?

2) How can current issues in fiscal decentralization be resolved through SDG Agenda implementation principles?

Seiler gives a succinct yet comprehensive overview of the LG system and its current status in the four provinces of Pakistan.

An interesting insight that the paper refers to is that in federations, sub-national governments spend on average as much as 18.1 percent of the GDP and 47.6 percent of the total Government budget (OECD 2016); comparing this to the allocation in KP where the LGA provides for 30 percent of the provincial development budget to be transferred to local governments in contrast with Punjab, where only 6.4 percent of the provincial development budget is allocated to local government.

The paper mentions the following issues in the fiscal mobilization system in Pakistan:

• Issue of revenue generation/ mobilization at the district level and the presence of an effective public finance system. The paper fails to give a viewpoint of the LGs on this whilst using the federal-provincial tax burden dynamic as a proxy for this.

  Question: Why has revenue generation from fees and taxes by the TMAs in KP grown in the last 3 years?

• A critical point that has not received too much attention in the paper is the inability of the PFC award, notified by one government only, does not allow for horizontal equalization and instead distributes resources equally between the most developed and underdeveloped UCs.

  Question: How does this facilitate the achievement of SDGs at the local level?

• The paper outlines a proposal for disaggregation of the SDG targets such that the responsibilities of different tiers of the government are clarified; it should be noted that the structure is well meaning, however, it requires a rigorous coordination mechanism in place so as to be effective and efficient. It should be noted that a unit was formed within the Planning and Development Department with the intention of centralizing the responsibility of SDG achievement in the province as well as serving as a coordination body. This model should be studied and examined to determine why it failed to achieve any impact and remained dormant. An effective mechanism at the provincial level operating at tandem with the districts, UCs as well as the federal government would have been contributed to effectiveness on ground.
• On costing of SDGs, the key question is that when there are a multitude of projects being undertaken which contribute to each of the SDGs, why is cost analysis of SDG not part of the priorities. Let’s consider the education sector, it needs to be understood that the projects in education are approved and implemented as standalone initiatives. The only known measurement was taking place within the Chief Minister’s Education Roadmap Initiative whereby the education reforms across the province where categorized into four broad themes and were being measured and monitored on a routine basis. The benchmarks and progress was reported on a routine basis to the Chief Executive. The system established within the department on data collection on monitoring through Monitoring and Evaluation Assistants (MEAs) with oversight of Divisional Field Coordinators (DFCs), needs to be examined to see how effective it was in measuring performance.

• The proposal to make grants to Local Governments conditional on achieving SDGs is going to be effective only if the provinces or the federal government have the capacity to performance manage through effective tools. Another concern is that the overall portfolio of the LGs needs to be taken into account considering their flexibility to maneuver allocations as per the local needs.

• The paper suggests that there might be efficiency concerns if the Local Governments become mere executors of Provincial or Central Government schemes designed by bureaucrats. This opens up the question of; 1) Involvement of elected officials in the planning and design of schemes; 2) knowledge of elected officials vs. provincial bureaucrats of the needs and demand for service delivery of the local population.

• On matching grants as well as local revenue generations, as mentioned above the approach seems a bit simplistic as the following questions needs to be addressed: Instead of matching grants, the fiscal transfer formula should have an equalization mechanism adjusted for fiscal capacity depending on whether it’s a low income or high income area. PFC is biased towards population weightage; and that is a critical subject of debate as backwardness is under accounted for.

### Recommendations

In terms of a practical way forward, the local government should be involved in priority setting and identification as they have the pulse of their constituents; the provincial governments which have at the moment in the instance of Punjab centralized control and can be involved in execution.
Acknowledgement

The authors would like to thank District Chairman Kasur, Mr. Sikander Rana Hayat, his Chief Officer, Mr. Riaz Gondal, and other District Officers and staff of District Council Kasur, as well as Deputy Director Local Government Kasur, Mr. Muhammad Iqbal, for their kind cooperation and support. Besides we appreciate the valuable contribution of Mr. Abdul Anjum Rauf (GIZ) in collecting additional data.
1. Introduction
2. Framework for analysis
3. Legal and regulatory framework
   3.1 Local Governments structure and human resources
   3.2 Local Government finance and planning
   3.3 Relationship between Local and Provincial Governments
4. District Kasur
   4.1 Political Decentralization
   4.2 Administrative Decentralization
4.3 Fiscal Decentralization
5. Conclusions and recommendations
   5.1 Conclusions
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References

Annex 1: Extract PLGA, 2013 Sections 76 and 77: functions of District Council
Annex 2: Extract PLGA 2013 - Eight Schedule
Annex 3: Own Sources of Revenues of District Council as per PLGA 2013
Annex 4: Estimated Income and Expenditure of District Council Kasur (Current and Development ADP)
1. Introduction

On 20 April 2010 the 18th amendment of the Constitution of the Islamic Republic of Pakistan was formally notified in the Gazette of Pakistan. The amendment comprised among others formally recognised local governments as third tier of Government.

‘Article 140A. Local Government. – (1) Each province shall, by law, establish a local government system and devolve political, administrative and financial responsibility and authority to the elected representatives of the local governments. (2) Elections to the local governments shall be held by the Election Commission of Pakistan.’

Consequently, the Provincial Assembly of Punjab passed the Punjab Local Government Act 2013 (PLGA 2013) in August 2013. The PLGA 2013 substituted the Local Government Ordinance of 2001 adopted under the military government of Gen. Pervez Musharraf. The PLGA 2013 created a new political and administrative local government structure, stipulated a new distribution of functions between different tiers of local governments and the provincial government, and defined new financial responsibilities. After the conduct of local government elections by the Election Commission of Pakistan, the elected representatives assumed their offices on 2nd of January 2017. The operations of the new local governments were further specified in the Punjab Local Governments (Conduct of Business) Rules 2017, the Punjab Local Governments (Budget) Rules 2017 and other Rules.

The Provincial Government of Punjab tasked the Support to Local Governance Programme (LoGo), Result Area Strengthening Local Governments of GIZ financed by the German Ministry of Development Cooperation (BMZ) to develop a medium term participatory development planning approach (PDP) for the local governments in the Punjab. The medium term plans would inform the Annual Development Programmes (ADP) that are required to be prepared by each local government. The LoGo Programme initially started experimenting with the PDP approach in two Union Councils and one Municipal Committee in the District Kasur in August 2017. In 2018 the programme started expanding to another 12 Union Councils (UCs) in the same district. Eventually, the UC Development Plans are to be integrated in a District Development Plan (DDP).

Before engaging in the development of a district development planning methodology it is necessary to look into the actual functioning of the District Council under the PLGA 2013. In this paper we compare the local government law, rules, regulations and government’s policies with the ground realities in District Kasur in the first 6 months of 2018. District Kasur is only one of the 36 districts of Punjab Province. However, the analysis of District Kasur might be comparable to other districts in the Punjab and give a ‘real life’ impression on the state of the art of local governments under the PLGA 2013.

For this case study we conducted a number of interviews with District Council Chairman, Chief Officer, District Officers and some his senior staff members. We also interviewed the Deputy Director Local Government and his staff. Besides we reviewed the District Council budget and other relevant District Documents that were provided by the District Council staff, as well as Provincial document.

In this paper we first provide a framework that we use for analysis of the situation of the District Council Kasur. Next, we give an overview of the legal and regulatory framework of the Punjab local government system. In chapter 4 we describe the situation in Kasur using the analytical framework. We close the paper with some concluding remarks and recommendations regarding participatory development planning at district level.

2. Framework for analysis

The rationale for establishment of local governments is to improve local public service delivery, promote economic development and ensure accountability of government towards citizens. The mechanism to achieve these aims is political, administrative and fiscal decentralization. Enhanced citizen engagement in identification of and decision making on development priorities contributes to a more responsive, inclusive, need based, and accountable service delivery by local governments. This is only possible if local governments have adequate political and administrative powers and financial resources to decide on, finance, provide and manage public services.
In this case study we will assess the intended versus the actual political, administrative and fiscal decentralization at district level, as well as the links, division of human resource and coordination between the district council with other local governments especially Union Councils and the Provincial Government. See table 1 below. In this case study we will mainly concentrate on the green column (district).

The political dimension of decentralization includes the local political structure, composition of a local government and the local participatory mechanisms for identification of development needs and accountability.

The administrative dimension of decentralization includes the local regulatory powers, planning, human resource management, financial management and the management of local public services.

The fiscal dimension of decentralization includes, revenue generation and management, inter-governmental fiscal transfers, borrowing and expenditure management.

### Table 1: Framework for analysis of district government

<table>
<thead>
<tr>
<th>Political decentralization</th>
<th>Administrative decentralization</th>
<th>Fiscal decentralization</th>
</tr>
</thead>
<tbody>
<tr>
<td>Province</td>
<td>District</td>
<td>Other local governments</td>
</tr>
</tbody>
</table>


### 3. Legal and Regulatory Framework

Local Government Law, a series of rules, bye-laws, notifications, instructions and guidelines underpin the political, administrative and fiscal decentralization as stipulated by Article 140A of the Constitution.

### 3.1 Local Governments structure and human resources

The Punjab Local Government Act, 2013 (PLGA, 2013) translates into effect the devolution of political, administrative and financial responsibility and authority to the elected representatives of the local government, including District Councils. PLGA, 2013 provides among others the constitution, composition, functions, elections, finance, internal and external controls and relations of local governments with provincial Government. In the Punjab, more than 58,000 elected representatives assumed their responsibilities for a term of five years in January 2017, after local governments’ elections finally concluded in December 2016.

### Figure 1: Local Governments Structure under PLGA 2013

Local Governments Structure under PLGA, 2013

- Local Govt. for Urban Areas
  - Metropolitan Corporation (only for Lahore)
  - Municipal Corporations (11)
- Local Govt. for Rural Areas
  - Municipal Committees (182)
  - District Councils (35)
  - Union Councils (274)
  - Union Councils (460)
  - Union Councils (3281)
Figure 1 shows the structure of Local Governments under the PLGA, 2013. The figure does not include the District Education and District Health Authorities that are considered separate, autonomous local government entities. Metropolitan/Municipal Corporations and Municipal Committees comprising urban areas, may be located in districts but have their own jurisdiction and no direct links with District Councils or with each other. Union Councils located with their jurisdiction have however, a political linkage with the respective Metropolitan/Municipal Corporation and District Council as the Chairmen UCs are ex-officio general members of these local governments.

Section 14 of the PLGA, 2013, provides that the District Council is composed of the Chairmen of all Union Councils in its jurisdiction who are directly elected. In addition, the District Council has members indirectly elected by the Union Council Chairmen, i.e. women members (not exceeding 15), peasant members (not exceeding 3), one technocrat member, one youth member, and non-Muslim members (not exceeding 5). The Government notifies the exact number of indirectly elected members based on the number of Union Councils and composition of the population.

The functions of the District Council are provided in sections 76 and 77 of the PLGA, 2013 (see Annex 1). Some major functions related to development planning are approval of annual budgets, and long term and short term development plans. The municipal functions of the District Council are among others related to provision, improvement and maintenance of public ways and streets, graveyards, and playgrounds; assisting Union Councils in the provision of water supplies, sanitation and solid waste management; land use planning and zoning; and undertaking of other development activities.

District Councils (Category II), such as District Council Kasur, are supposed to have one Chief Officer and four District Officers as per organogram notified vide notification No. (SO.Admin.III(LG)MISC/2015 (P-I)) dated 29th July, 2016:
- Chief Officer (BS 18)
- District Officer (Finance) (BS 17)
- District Officer (Municipal Infrastructure and Services) (BS 18/17)
- District Officer (Municipal Regulations) (BS 17)
- District Officer (Planning) (BS 17)

In the notification it is said that this establishment has been approved as transitional arrangement.

The Punjab Local Governments (Conduct of Business) Rules 2017, Schedule III, describe the distribution of functions among the district offices. The Chief Officer is among others responsible for coordination, human resources management and legal affairs. The District Office (Planning) is among others responsible for spatial planning, regulation of erections of buildings, and development and management of schemes. The District Office (Finance) prepares among others annual budgets, manage and control the local fund, maintains departmental accounts, reconciles receipts and expenditures, and recovers taxes and fees etc. The District Office (Municipal Regulations) prevents and removes encroachments, regulates markets and services, manages properties and assets of the district, and compiles and maintains data on registration of births, deaths, marriages and divorces registered by the Union Councils. The District Office (Municipal Infrastructure and Services) among others provides, improves and maintains public ways and streets, playgrounds, and graveyards; assists Union Councils in the provision and maintenance of water supplies, sanitation and waste management, and the construction of culverts, bridges and public buildings, and other development activities. In addition to these officers, an officer from Local Fund Audit, Finance Department, is posted as District Accounts Officer in the District Council. His main responsibility is to maintain the accounts and pre-audit of the payments.

### 3.2 Local Government finance and planning

Chapters XIII, XIV and XV of the PLGA, 2013, the Punjab Local Governments (Accounts) Rules, 2017 and the Punjab Local Governments (Budget) Rules 2017 provide the legal framework for financial responsibilities and mechanisms to acquire revenues through taxation and intergovernmental fiscal transfers, and provisions for maintenance of accounts, formulating, approving and managing budgets and
expenditures. These include the current expenditure as well as the development expenditure under the Annual Development Programme or Plan (ADP). For our purpose to develop a methodology for participatory development planning, the process of formulation of the ADP is of particular interest. In figure 2 the process of planning and approval of the budget including the ADP at District Council level is visualized.

**Figure 2: Process of planning and approval of budget including ADP at district level (Punjab Province)**

<table>
<thead>
<tr>
<th>Stage</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>I</td>
<td>Chairman District Council to identify the needs of local area after interaction with the stakeholders</td>
</tr>
<tr>
<td>II</td>
<td>Budget call letter containing budget calendar, instructions and forms to be used for the budget to be issued by District Officer (F)</td>
</tr>
<tr>
<td>III</td>
<td>Chairman to finalize the budget proposals with the help of District Officers and place them before House for approval</td>
</tr>
<tr>
<td>IV</td>
<td>Provincial Government to approve the budget if not approved by House within given timeframe</td>
</tr>
<tr>
<td></td>
<td>Chairman to authenticate the schedule of authorized expenditure</td>
</tr>
</tbody>
</table>

Note: The expression “stakeholders” means the elected representatives, general public, women organizations, private sector, non-governmental organizations, community based organizations, and minority and other relevant organizations (Punjab Local Governments (Budget) Rules 2017, Part II rule 3 (b)).

The Punjab Local Governments (Budget) Rules 2017 also specify the budget calendar, i.e. the steps and timeline for preparing the annual budget. The calendar for the planning of the Annual Development Programme can be found in table 2. The planning of the ADP concurs with planning of the general District Council budget. In September a Budget Call is issued to all departments of District Council for the new budget and in April of the next year the draft budget is presented to the House including the ADP. In May the Provincial Government and the general public may propose amendments that are included in the final draft in June before approval in the budget session in the end of June or early July.

The ADP has to be prepared according to parameters outlined in the budget rules. As much as possible development projects have to be completed in one financial year. In case of phasing over more years on-going development projects get priority in the budget over new projects until their completion.
Also multi-year budget planning needs to be adhered to with development projects exceeding one financial year. The ADP has to give attention to gender mainstreaming including the involvement of women, disadvantaged groups and regional parity, as well as to prioritize projects related women and girls and marginalized groups.


The Punjab Local Governments (Budget) Rules 2017 also indicate the responsibilities of the District Council Chairman and his Chief Officer and District Officer (Finance). The Chairman has to prepare a vision, consult stakeholders, and ensure that problems of disadvantaged and marginalized groups and gender issues are reflected in the district priorities and budgets. He has to recommend programmes, strategies and services to address prioritized needs and implement them for maximum benefit of the local community. The Chief Officer has, among others, to ensure that each project is feasible, sustainable and in line with the priorities of the District Council. He is also responsible to prepare a report on the planning and implementation of development plans of the District Council for its presentation before the House in the Budget Session. The District Officer (Finance) issues the Budget Call Letter, provides financial and budgetary data, examines and scrutinizes all budget proposals, and monitors receipts and expenditure.

The Eighth Schedule of the PLGA, 2013 provides general powers of local governments, including District Council. Paras 72 to 79 of the Eighth Schedule stipulate a comprehensive framework for development planning to be followed by the local governments, including District Council (details see Annex 2).

<table>
<thead>
<tr>
<th>Sr.#</th>
<th>Activity</th>
<th>Target Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Processing of a Development Scheme – Government</td>
<td>August-January</td>
</tr>
<tr>
<td>1.1</td>
<td>Submission of potential schemes by House and other stakeholders</td>
<td></td>
</tr>
<tr>
<td>1.2</td>
<td>Review of proposals by concerned offices</td>
<td></td>
</tr>
<tr>
<td>1.3</td>
<td>Approval of Mayor / Chairman concerned to prepare project proposals</td>
<td></td>
</tr>
<tr>
<td>1.4</td>
<td>Preparation of project proposal by concerned offices</td>
<td></td>
</tr>
<tr>
<td>1.5</td>
<td>Administrative Approval of project proposal by respective Development Committee</td>
<td></td>
</tr>
<tr>
<td>1.6</td>
<td>Preparation of detailed estimates and accordance of Technical Sanction</td>
<td></td>
</tr>
<tr>
<td>1.7</td>
<td>Inclusion of Development Projects in Annual Development Programme and submission with Draft Budget</td>
<td>April</td>
</tr>
<tr>
<td>1.8</td>
<td>Approval of Budget by Council/House</td>
<td>June</td>
</tr>
<tr>
<td>1.9</td>
<td>Implementation of projects by executing agencies</td>
<td>From July onwards</td>
</tr>
</tbody>
</table>

Table 2: Steps and timeline for preparation the Annual Development Programme at district level (Punjab Province)
The Punjab Local Governments (Works) Rules, 2018 inter alia prescribe the establishment of a Development Committees of the District Council. The Development Committee grants Administrative Approval (AA) of development projects. The powers of the Development Committee are as under in table 3.

**Table 3: Development Committees of District Council: composition and powers**

<table>
<thead>
<tr>
<th>Development Committee 1</th>
<th>Limit to accord AA (PKR)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chairman</td>
<td>Convener</td>
</tr>
<tr>
<td>Chief Officer</td>
<td>Member</td>
</tr>
<tr>
<td>District Officer (Finance)</td>
<td>Member</td>
</tr>
<tr>
<td>District Officer (Infrastructure)</td>
<td>Member/Secretary</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Development Committee 2</th>
<th>Limit to accord AA (PKR)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chief Officer</td>
<td>Convener</td>
</tr>
<tr>
<td>District Officer (Finance)</td>
<td>Member</td>
</tr>
<tr>
<td>District Officer (Infrastructure)</td>
<td>Member/Secretary</td>
</tr>
</tbody>
</table>

The work estimates, for administrative approval, beyond the above mentioned limits shall be submitted to the District Development Committee chaired by the Deputy Commissioner, Divisional Development Working Party, Departmental Development Sub-Committee or Provincial Development Working Party, as per limit notified by the Government.

Local governments may receive financial revenues from various sources:
- Own Source Revenue from taxes/fees levied and collected by the District Councils from their local areas (details see Annex 3).
- Share of District Council determined under the Punjab Finance Commission Award
- Tied grants from the Provincial Government (e.g. special development packages)
- Contribution to the District Council by individuals or institutions

The Provincial Government of the Punjab has approved and notified interim Public Finance Commission Award on January 12, 2017 (No. SO(PFC)1-31/2005 (P)). A Regular Award is yet to be finalized and notified by the Government. In the notification it is mentioned that the Provincial Allocable Amount to be distributed among local governments is 37.5% of the Provincial Consolidated Funds. The lion share of the Provincial Allocable Amount is earmarked for the District Education Authorities (66.9%). The Metropolitan Corporation, Municipal Corporations, Municipal Committees and District Councils together are to receive 12.8%. Of these 9% is a General Purpose Grant for current expenditures, 2.5% Development Grant for development projects (ADP), and 1.3% Transition Grant for shortfalls. Distribution among the local governments takes place according to a formula in which population size and density, poverty and access to improved drinking water sources are criteria. See figure 3 below.

Rule 50 of the Punjab Local Governments (Budget) Rules 2017 specifies that the Provincial Government will make straight transfers to the Local Governments each month.

**Figure 3: Distribution of resources from Provincial Allocable Amount to Local Governments under the Interim PFC**

- DEA
- DHA
- M. Corps. MCs and DCs
- Ucs

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Chapter XVI of the PLGA, 2013 defines the relations between the Provincial Government and the Local Governments. The Provincial Government appoints a Punjab Local Government Commission chaired by the minister of Local Government. The Commission has mandate to inspect local governments and resolve disputes between local governments, and between local governments and departments. With respect to development planning the Commission will inter alia organize consultative meetings with National and Provincial legislators, the Mayors and the Chairmen on a periodic basis to provide for their participation in the planning of development activities. The Commission will consult local governments on the Provincial Annual Development Plan and review development schemes.

At district level the Provincial Government appoints a Deputy Commissioner and at tehsil level Assistant Commissioners in accordance with the Punjab Civil Administration Act 2017. The Deputy Commissioner (DC) is the representative of the Provincial Government in the district. His responsibilities are to coordinate, support and ensure the standards of the work of all the offices and public facilities in the district for purposes of integrated development, efficient use of public resources and effective service delivery. He also supervises and coordinates the implementation of policies, instructions and guidelines of the Provincial Government. The Deputy Commissioner may establish Coordination Committees with among others, heads of local governments, Members of National and Provincial Assemblies, and other relevant persons. The DC has however, no hierarchical formal linkage with the District Council and its staff.

Other Provincial Departments, e.g. Housing, Urban Development and Public Health Engineering, Communications and Works, may have their local district offices but are not formally linked to the District Council.

### 4. District Kasur

#### 4.1 Political decentralization

District Kasur has 125 rural Union Councils according to the notification No. SOR(LG)44-3/2015. On the 31st of October 2015 local elections took place and 125 Union Council Chairmen and Vice-Chairmen were elected. The UC chairmen are ex-officio members of the District Council. In addition to the UC chairmen, District Council Kasur has indirectly elected members on reserved seats, i.e. 15 women, 3 peasants, 1 youth, 1 technocrat, and 5 non-Muslim members.

The results of the party based elections at Union Council level determine the composition of the District Council in terms of political affiliations. In the District Council Kasur 86 of the directly elected members (UC Chairmen) belong to the PML-N and 39 to the PTI. Out of the 125 general members and members on reserved seats one District Chairman and two Vice-Chairmen were elected.

In principle, the UC Chairman is the channel for expressing local development needs originating from grass root level to district level. The Punjab Local Governments (Budget) Rules 2017 stipulates the District Chairman to develop a vision and consult stakeholders with respect to development needs. The District Council of Kasur does not have a documented vision or a documented process of consultation of stakeholders. In the rules itself it is indicated who those stakeholders are, and that in the budget the needs of disadvantaged and marginalized groups are to be reflected and gender issues addressed (Punjab Local Government (Budget) Rules 2017, Part II rule 3 (a) to (e)). More specific guidelines are lacking on the mechanism for the identification of development needs, formulation and implementation of development activities and involvement of citizens.

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45 The election process started in October 2015 and was finally concluded in December 2016. Election of UCs and MCs direct members was held in three phases. After that elections on reserved seats were held with considerable delay due to litigation on the mode of elections on reserved seats. After the elections on reserved seats, the mayors and chairmen were elected in December 2016 and the District Councils started to function on the 2nd of January 2017.
At present, the District Chairman, the Chief Officer and the District Officer (Infrastructure and Service) of Kasur receive proposals for projects to be financed through the Annual Development Program (ADP) from UC Chairmen as well as from the general public. Generally no applications or proposals are forwarded by or come from the Deputy Commissioner or other Provincial government agencies. In Kasur the District Chairman allocated 75% of the development budget to the directly elected general council members as block grants in the Financial Year 2017/18, implying that each Union Council received an allocation of PKR 4 million (total PKR 500 million). A total of PKR 50 million was allocated for projects coming from council members on reserved seats, i.e. PKR 2 million per indirectly elected councillor, although this is not reflected in the ADP budget as a separate budget line (see Annex 4). Each District Council member can set his or her own priorities and propose projects with the funds allocated to him or her as ceiling. If a council member wants a bigger scheme, costing more than the allocated amount, he will discuss with the District Chairman, for example the construction of a rural road connection with the GT road. Sometimes schemes run through multiple UCs. These schemes can be financed through pooling the funds allocated to the UCs involved. According to the budget PKR 50 million (7.4%) of the development funds are reserved for emergent and unforeseen expenditures, at the discretion of the District Chairman.

The members of the District Council submit their requests and proposals to the office of District Chairman. There is no proper format or template for submission of proposals or requests. Members of the District Council can simply submit handwritten applications (mostly a one pager) mentioning one or many proposals on the same application. Mostly applications contain proposals or schemes requested by the member (without cost estimates). On the other hand, some members submit applications where only an amount of money is requested without mentioning the details, and others are indicating schemes with a rough cost estimate (total amount).

The DO (Municipal Infrastructure and Services) compiles the requests. In December 2017 the DO (Municipal Infrastructure and Services) received about 190 applications or proposals for development projects. The ADP 2017/18 includes 318 new projects allocated for the Chairmen of Union Councils with a total value of 663.9 million PKR. 290 of the 318 projects were the construction of brick pavement, drains, nallahs and culverts, 6 projects involved the construction of metalled roads, 6 projects the beautification of public space or roads, and another 16 miscellaneous projects often related to road improvement and including the renovation of a residence for the Chief Officer.

The review of allocation of funds and schemes taken up in ADP 2017/18 reveals that distribution or allocation of funds was not made sector wise. No sectoral pre-planning was carried out before distribution or allocation funds. The distribution was based on the allocated amount to a Union Council and submitted applications.

The District Chairman is responsible to draft and compile the final list of projects for the ADP that is to be approved by the District Council, both for UCs where his own party is ruling as well as those UCs where the opposition party is providing the UC Chairman. Understandably this may lead to a political debate about whose priorities are being catered for in the ADP. In the budget session convened in the month of June or July before July 30, the District Council formally decides about the projects proposed in the ADP. According to the budget rules described above Administrative Approval is to be granted after preparing the project proposals and before including them in the ADP (see table 2). In practice detailed project preparation and Administrative Approval take place after approval of the ADP list of projects by the House. The DO (Municipal Infrastructure and Services) may send sub-engineers to potential project sites to prepare cost estimates. The sub-engineer prepares cost estimates of potential projects throughout the year. The bigger projects are granted Administrative Approval by the Development Committee with the District Chairman as convener. The smaller projects (up to 3 million PKR) are handled and granted Administrative Approval by a Development Committee with the Chief Officer, DO (Finance) and the DO (Municipal Infrastructure) as members.

The composition of District Council with UC Chairmen as members, and the allocation of block funds to UCs (in fact individual council members) have some disadvantages. First, development projects could easily be used or seen as ‘personal’ and not ‘public’ goods. Hence UC Chairmen may identify projects based on personal preference and clientelistic considerations, i.e. favouring their own constituencies, rather than on public priority needs. Also, UC Chairmen belonging to opposition parties are in a disadvantaged position if allocation of funds is based on personal relationships and not on the basis of genuine needs. To avoid this potential danger a broader, transparent consultation of citizens on their
priority needs and selection of projects could take place. Second, it is striking that the ADP 2017/18 consists mainly of the same type of projects, i.e. brick pavement. Of course the projects may address genuine needs. However, if the large majority of the UCs identifies the same type of project as their first priority, the impression of a ‘cut-and-paste’ ADP is at least given, especially if the identification process is not transparent, inclusive and documented. This impression is reinforced through the fact that a clear process of citizen engagement in the identification of development priorities is lacking. Third, the tendency is to focus on (small) projects only benefitting particular (segments of) Union Councils, and not wider district level projects (e.g. a road). As such, the share of the district council member is just an extension or enlargement of the available UC development budget (i.e. 3.6 million PKR per year), and not focused on wider district development issues.

In fact, even according to the PLGA 2013 the functions of the District Council and Union Council are overlapping. For example, both government tiers are responsible for ‘the provision, improvement and maintenance of public ways and streets, public open spaces, graveyards, public gardens, playgrounds’. In other words, the subsidiarity principle – in which responsibilities, decisions and investments between different government tiers are clearly demarcated and decisions should be taken at the lowest (local) level possible – is not (completely) adhered to in the PLGA 2013, and leads to overlap in focus of projects between the District Council and Union Councils. The same happens with projects financed from block grants provided to Members of National and Provincial Assemblies, e.g. the financing of a boundary wall of a graveyard in UC Nizam Pura (Kasur) from provincial funds. A discussion focused on district wide issues and broad consultation of district level stakeholders may contribute to a meaningful real district level ADP rather than to a district level ADP that repeats UC level type of projects with the only difference that they are financed out of a District Council budget instead of a UC budget.

On the 2nd of January 2017 the District Council of Kasur was formally installed and the elected representatives assumed their responsibilities. On 19 April 2017 the LG&CDD issued an order with the approved schedule of staff establishment of District Council Kasur. In total 148 positions are approved, including one chairman and two vice-chairmen. 20 positions (14%) are professional staff. 79 (53%) of those positions are lower staff below Basic Pay Scale 10, and 49 (33%) have BPS 11 – most of them are junior clerks.

The organogram of the administrative structure is shown in figure 4.

**4.2 Administrative decentralization**

On the 2nd of January 2017 the District Council of Kasur was formally installed and the elected representatives assumed their responsibilities. On 19 April 2017 the LG&CDD issued an order with the approved schedule of staff establishment of District Council Kasur. In total 148 positions are approved, including one chairman and two vice-chairmen. 20 positions (14%) are professional staff. 79 (53%) of those positions are lower staff below Basic Pay Scale 10, and 49 (33%) have BPS 11 – most of them are junior clerks.

The organogram of the administrative structure is shown in figure 4.

**Figure 4: Organogram of the administrative structure of District Council Kasur**

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*PLGA 2013, paragraph 72 (d) for functions of Union Council, and 77 (k) for functions of District Councils. In case of District Council paragraph 7 (k) also includes ‘farm to market roads’. 

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Besides these offices, the District Chairman and the District Vice-Chairman have their own small offices. There is another officer posted by the Local Fund Audit Finance Department working as Accounts Officer of District Council.

The posts of District Officer Planning and District Officer Municipal Infrastructure and Services were still vacant at the time of this case study (Mid 2018). Also, the three posts of Building Inspectors within the District Office Planning were not filled.

Staff allocated to District Council offices was working in the defunct District Government and Tehsil Municipal Administration, Kasur, before the creation of this new structure. The Accounts Officer District Council can operate independently from the Provincial Finance Department within the parameters provided by the Budget and Accounts Rules 2017. District Officer Finance issues the Budget Call Letter, prepares the budget in consultation with the District Chairman and the Chief Officer, and consolidates the budget of the ADP. He is also maintaining income and expenditure statements and accounts.

The Chief Officer faces a number of problems in the implementation of its administrative functions. First, Chief Officers do not have any say on the filling of the vacant technical posts. Employment of staff requires approval from the Provincial Government (LG&RDD) that, however, is not granting the approval to fill the vacant posts out of austerity considerations. As a consequence the District Council is falling short in the provision of its services. For example, the District Council cannot properly check the erection of buildings in its territory due to absence of building inspectors. Second, the District Council is lacking equipment, machinery and vehicles preventing appropriate service delivery by the District Council. The District Council cannot remove encroachments on public space because of lack of proper machinery. Also, staff cannot make proper site visits, as the District Council does not have enough official vehicles. Third, the District Council does not have direct linkage to a local police force. According to the Chief Officer he needs a local police force in order to be able to take action against violators of the Act, Rules and Byelaws of the District.

At district level the Departments of the Provincial Government may have their implementing offices. These include Housing, Urban Development Department and Public Health Engineering Department, Communication and Works Department, Agriculture Department, Livestock and Dairy Development, Social Welfare Department etc. It also includes the Local Government and Community Development Department. The public services that these departments provide at local level through their own (Provincial) Annual Development Programs are neither based on the needs identified by the District Council nor under the authority or control of the District Council but rather dependent on the decisions of the individual Members of the Provincial and National Assemblies in the district. The Deputy Commissioner is the officer coordinating the activities of these provincial departments. The Provincial Departments implement their own programs independently from the District Council. The District Council Office may seek the support of technical staff of the Provincial Departments at District level in the formulation of technical proposals of the District Council ADP. The works bills of pavement of streets and water supply are shared with the PHED before making payment to avoid double payment in similar kind of projects. The District Council Chairman may be invited in coordinating meetings organized by the Deputy Commissioner.

The position of the District Office of the Local Government and Community Development Department is remarkably dualistic. On the one hand the Deputy Director Local Government and his Assistant-Directors Local Government, i.e. his subordinates at tehsil level, are implementing the Provincial ADP of the department and other special provincial programs independent of the District Council decisions or District Council Office, such as the SDGs program or the Chief Minister program. On the other hand, ADLGs are supposed to have a supervisory task towards the Union Councils. The Director Local Government, DDLG and ADLG have been designated as Inspecting Officers of Union Councils through circular No. PA/DG/LG&CD/(Misc)/05/2018 dated 17.01.2018.

There is no formal linkage of the DDLG with the District Council office but he coordinates and maintains informal contacts. The ADLG has a hierarchical linkage with DDLG and is required to report to the DDLG in the District in all matters. This relationship is not laid down in a functional description of offices or clear job descriptions of the DDLG and ADLGs yet. Their relation is determined through different instructions and circulars issued by the Government from time to time. As per the LG&CDD Employees Service Rules, 2018 the DDLG and ADLG have a hierarchical linkage.

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The administrative organizational set-up of the Provincial Departments in the District is not congruent with the political local government structure. The Civil Administration is organized along lines of Province, Divisions, Districts and Tehsils. The political structure in rural and urban areas consists of Union Councils, District Councils, Municipal Committees, District Education Authorities, District Health Authorities and Provincial and National representation. The supporting administrative offices, under control of the local governments as noted above have very limited number of staff. This inhibits effective and efficient service delivery by the District or Union Councils themselves. It creates at least technical dependence on Provincial Departments.

4.3 Fiscal decentralization

The District Council Kasur receives its income from Provincial Grants and District Receipts. Provincial Grants includes the transition share, development grant and monthly grant for current expenditure as share of the PFC Award. District Receipts include advertisement fees, TTIP\(^47\), licence fees, building plan fees, water rate fees etc. According to the PFC award notification (No. SO(PFC)1-31/2005 (P), January 12, 2017) District Council Kasur is to receive 1.23% of the available 12.8% PFC share for Metropolitan Corporation, Municipal Corporations, Municipal Committees and District Councils. According to the District Council budget own revenue is about 54% of the amount that is to be received from Provincial Grants. About two third of the expected expenditure is reserved for development projects (PKR 674,033 million development expenditure and PKR 269,743 million current expenditures of a total of PKR 943,776 million). In the budget staff related expenses make up almost 58% of the non-development expenditures. 42% of the non-development expenditures are related to operational expenses, physical assets, and repairs and maintenance.

Annex 4 provides an overview of the estimated income and expenditure of the District Council.

In reality the system of fiscal transfers is not working as smoothly as described above. The transfer of funds by the Province is unreliable. The District Council regularly receives budget for non-development expenditure. However, the development budget is coming irregularly. At the start of the local government system from January to June 2017 both the non-development and development budget were fully received. However, due to shortage of staff the development budget was not fully utilized in these first six months (PKR 291,564 million received during FY 2016/17 and PKR 278,139 million left for FY 2017/18). A very understandable situation as the District Council was a new institution and staff still needed to be transferred and placed in the offices of the Council.

In the FY 2017/2018 the non-development budget was fully received from the Provincial Government. However, no development funds were received. In the District Council budget for FY 2017/18 it was assumed that the development budget (ADP) was to be financed for 80% by the province and for 20% by own revenues of the District Council. At the time of data collection for this case study (March 2018) the District Council was still using its unspent funds of FY 2016/17. For FY 2018/19 the provincial grant for development purposes to the districts was postponed due to general elections, making it impossible for the District Council to properly plan its ADP for the FY 2018/19.

The budget process in Kasur District started by issuing the Budget Call Letter by the District Officer (Finance), asking the District Offices to prepare their budgets (non-development and development expenditures as well as projected income if any). DO(F) prepared an estimate of the available next year’s budget in February/March. He used the figures on received provincial grants and own revenue of the previous year as basis for his budget projection. The District Council only knows the allocated provincial grant after the provincial budget session in June. As stated above even then the District Council is not sure if it will receive the allocated amount. After 8 months in the running fiscal year the DO(F) proposed to the House of the District Council a revision and adjustment of the budget to the real figures and new projections. The District Council may consider to re-appropriate amounts under different budget headings. The budget session of the District Council takes place after the budget session of the Provincial Government.

\(^{47}\) TTIP is Tax on Transfer of Immovable Property
In 2017 it was scheduled in the second week of July. This gave the District Council the opportunity to have a second session before the legally required deadline for approval of the budget before the end of July. If the District Council does not pass the budget before this deadline the Provincial Government will take a decision on the district budget. In the budget session not all detailed projects are presented and approved as required by the budget rules. Rather, a block grant for development expenditure has been approved through which development projects presented by the individual council members can be financed after approval of the House throughout the year.

The DO(F) also keeps track of expenditures. Payments to contractors are only made after technical and physical checks of the work (bills of quantity and quality). Sometimes the Provincial Departments of LG&CDD, PH&E and C&W are involved in checking bills to avoid any double payment in similar kind of projects.

5. Conclusions and Recommendations

5.1 Conclusions

The District Council is a separate independent body constituted under the PLGA, 2013. It has its own responsibilities as laid down in the PLGA 2013 and can make its own decisions in the way provided in the law, rules and bye-laws. However, in many fields the Provincial Government remains responsible for development investments at local level through the district offices of provincial departments that are functioning independently of the District Council. Also, financially and administratively District Councils are to a large extent dependent on the Province for fiscal transfers and decisions on the availability of human resources.

The way of organizing political decentralization in Punjab Province increased the number of citizens involved in political decision-making with more than 3,200 rural Union Councils in 35 Districts, and more than 58,000 elected representatives. In Kasur District 125 Union Councils were formed. Their Chairmen are members in the District Council as per the PLGA 2013. On the one hand this set-up ensures the representation of all Union Councils at district level. On the other, it has as consequence that the District Council operates as an ‘extended Union Council’, i.e. development projects identified at district level are mainly comparable to Union Council projects and not taking into account larger, district-wide problems. This is reinforced by the practice of allocating part of the development budget as a block grant to individual councillors. Kasur District Council does not have a documented vision on the future development of the district that could guide the priority setting of investments by the district council. Individual councillors select their own projects that they want to finance from the development fund. No structured consultation of citizens on vision, development priorities or projects does take place.

Administrative decentralization has taken place to some extent. The PLGA 2013 limits the functions of the District Council. Provincial departments remain responsible for the delivery of many government services. Also, Union Council functions partially overlap with those of the District Council. District councils face problems in the delivery of their public services due to lack of human resources and absence of machinery. Austerity measures by the Provincial Government put a limit on recruitment of staff and investments in equipment. The administrative link between the District Council and the LG&CDD is not elaborated. In general terms the relations between Local and the Provincial Governments are described in PLGA 2013 (Sections 4, 119 to 124). The job descriptions of the DDLG and ADLG are not notified. Moreover, the administrative structure of the Province in the District is not congruent with the political tiers (e.g. UC; District Council; Municipal Committees). This inhibits logical connections between District Councils and other departments and above all it frustrates the integrated and coherent development planning and implementation.

Fiscal decentralization is part of the local government system. However, only a limited amount is reaching the District Councils and even a smaller amount is destined for development activities. The lion share of the PFC award (83%) is going to the Health and Education Authorities. Only 12.8% is available for the Metropolitan Corporation, Municipal Corporations, Municipal Committees and District Councils, and of this percentage only 2.5% is reserved for development investments. Moreover, in reality the District
Councils do not receive funds for their development budget regularly. About 58% of the current expenditure of the District Council Kasur is staff related expenses. The funds that are reserved for development expenditures are to a large extent allocated as a block grant to individual elected representatives. The elected representatives can finance their ‘own’ preferred projects out of their ‘share’, mainly benefitting their constituency. This practice is not being prescribed or endorsed in the legal and regulatory framework.

5.2 Recommendations regarding participatory planning with District Councils

The intention of the LG&CDD is to introduce participatory development planning with District Councils. Based on the analysis above following few recommendations can be put forward for consideration:

1. PLGA 2013 and Punjab Local Governments (Budget) Rules 2017 provide a legal and regulatory framework for initiating the development of a participatory development planning methodology. The framework is based on theory but gives space for practical experimentation with participatory planning. It requires, however, flexibility and commitment with the Provincial Government to start experimenting with Participatory Development Planning (PDP) with District Councils and other local governments as well, and amend the legal and regulatory framework in the light of lessons learnt from the experiment, if any.

2. Regarding political decentralization the PDP with District Councils will need to address some challenges, among others:
   - Development of a shared vision on the future of the District;
   - Development of a structured and transparent process of identification of development needs, reflected in a medium term (multi-year) and short term (annual) development programme;
   - Focus on district wide development priorities in the framework of SDGs, transcending constituency based identification of needs at UC level.

3. Regarding administrative decentralization the PDP with District Council will need to address challenges, such as:
   - Capacity building and anchoring the responsibility for PDP within the administrative organization of the District Council;
   - Developing the formal linkages and support structure from the LG&CDD towards the District Council;
   - Developing the linkages between the Provincial Departments and their ADPs, and the District Council.

   This may be organized through the formation of a District Planning Committee for integrated planning. The Committee shall consolidate the plans prepared by the line departments, District Council and the Municipalities in the District and prepare a draft development plan for the district as a whole. The Committee shall represent as stakeholders the local governments and line departments in the District. Implementation of the District Development Plan shall be the responsibility of the respective line department and local governments in the District.

4. Regarding fiscal decentralization the PDP with District Council will face the challenges of:
   - Regular transfers of development funds from Provincial level as part of the PFC award;
   - Adherence to and practicality of the steps described in the Budget Rules;
   - Dealing with and, if possible, adjust the practice of allocating block funds to individual elected representatives.
District Council Kasur (2017), Annual budget FY2017/18 of the District Council
Government of Punjab (2017), *The Punjab Local Governments (Conduct of Business) Rules*
Islamic Republic of Pakistan (20 April 2010), *The Gazette of Pakistan*, Islamabad

**References**

**Others**

Different notifications issued by the Local Government and Community Development Department, Government of the Punjab:
- Organogram District Council (No, SO.Admin.III(LG)MISC/2015 (P-I)), dated 29th July, 2016
- Interim Public Finance Commission Award (No. SO(PFC)1-31/2005 (P), dated January 12, 2017
- Number of Union Councils in Kasur District (No. SOR(LG)44-3/2015 125), dated February 16, 2017

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76. Functions of District Council
The District Council shall—

(a) approve bye-laws and taxes;
(b) approve annual budget of the District Council including supplementary budgetary proposals and long term and short term development plans;
(c) review the performance of all offices working for the District Council;
(d) review the performance report presented by the Chairman; and
(e) promote social counseling to inculcate civic and community spirit and motivate and galvanize the general public for compliance with municipal laws, rules and bye-laws.

77. Other functions of District Councils
A District Council shall be responsible for performance of the following municipal functions—

(a) prevention and removal of encroachment on public ways, streets and properties;
(b) prevention of nuisance in public ways, streets and properties;
(c) regulation of dangerous and offensive articles and trades mentioned in Second Schedule;
(d) regulation or prohibition of the excavation of earth, sand, stones or other material;
(e) regulation or prohibition of the establishment of brick kilns, potteries and other kilns;
(f) to organize cattle fairs and cattle markets and regulation of sale of cattle and other animals;
(g) celebration of public festivals;
(h) assistance in provision of relief in the event of any fire, flood, hailstorm, earthquake, epidemic or other natural calamity and assisting relevant authorities in relief activities;
(i) provision of relief for the widows, orphans, poor, persons in distress and children and persons with disabilities;
(j) promotion of sports including sports for persons with disabilities;
(k) provision, improvement and maintenance of public ways and streets, public open spaces, graveyards, public gardens, playgrounds and farm to market roads; (l) assisting Union Councils in the provision and maintenance of rural water supply schemes, public sources of drinking water, including wells, water pumps, tanks, ponds and other works for the supply of water and sanitation, and solid waste collection and sanitary disposal of solid, liquid, industrial and hospital waste;
(m) construction of culverts, bridges and public buildings;
(n) control over land-use, spatial planning, land-subdivision, land development and zoning by public and private sectors for any purpose, including for agriculture, industry, commerce markets, shopping and other employment centers, residential, recreation, parks, entertainment, passenger and transport freight and transit stations;
(o) enforce all municipal laws, rules and bye-laws regulating its functioning;
(p) promote animal husbandry and dairy development;
(q) hold fairs and shows, promotion of public games and sports, celebration of national occasions; and
(r) undertake other development activities.
“Development planning”

72. Development Plans- Strategic Plans, Master Plans and Development Plans in a local government shall be prepared in the prescribed manner on specified sectoral pro forma with the following as essential information:

(a) **Name and Location:** The name of the project and location must be clearly indicated by giving the name of the Area, Union Council and Village along with relevant details to signify the exact locality. The map of the area should be attached to magnify project location.

(b) **Cost:** Cost estimates should be indicated with source of financing and allocation in the current year budget. The narration should touch on the basis (e.g. market survey, schedule rates, estimation of previous work done) of determining the capital cost.

(c) **Objectives:** The Local government must have clear road map of targets and objectives to achieve in the arena of its responsibility for development. Every project must fit into this frame and should have strong linkage with overall development objectives of the local government.

(d) **Description and Justification:** This section should describe the project in terms of existing facilities and justification for the Project. This section should also include technical parameters, details of civil works, machinery and other physical facilities required for the project, and must highlight issues relevant to the project and the strategy to resolve them.

(e) **Operating and Maintenance Cost:** This section should indicate itemized operational cost for five years after completion of the project with source of financing and responsibility.

(f) **Financial Plan:** This section should indicate the quantum of total resources required for the project and the sources to provide the cost.

(g) **Project Benefits and Analysis:** This section should give a brief narration of the probable income to be generated from the project and must quantify social benefits to the target group.

(h) **Environmental Impact:** This section should give a fair assessment of the negative or positive impact of the project on the environment.

(i) **Implementation Schedule:** This section should indicate the starting and completion date of the project with detailed schedule of physical activities. The details should include administrative arrangements and manpower requirements during execution and operation of the project.

73. Community Development Projects.- A local government may sponsor or promote community development projects for its local area or any part thereof and may, in this behalf, subject to the approval of Government, perform such functions as may be necessary.

74. Commercial Schemes.- A local government may, with the previous sanction of Government, promote, administer, execute and implement schemes for undertaking any commercial or business enterprise.

75. Urban Improvement.- An urban local government may, with prior approval of the Government frame projects for improvement in its area and constitute an Urban Improvement Committee which shall perform such functions and exercise such powers as may be prescribed.

76. Development Schemes.- Where an Urban Improvement Committee is constituted, the Government may, in the prescribed manner, provide for:

(a) the types of schemes to be undertaken;

(b) initiation of schemes by an Urban Improvement Committee on the direction of Government or on move by the local government;

(c) matters to be provided for in a scheme such as acquisition of land, retention, management or disposal of lands vested in the local government, demolition of unhygienic buildings, and redistribution of land a scheme, laying out and alteration of schemes, provision and management of open spaces,
reclamation of land and its reservation for the production of fruit, vegetables, fuel, fodder and the like for the residents of a local area, water supply and lighting, drains and sewerage, health measures, erection and re-erection of buildings, advances to owners, communications and other matters;
(d) alteration and abandonment of schemes and acquisition of land;
(e) furnishing of information by a local government or by the Government or other agency and which is necessary for purposes of framing of a scheme or of assistance in its execution or maintenance;
(f) powers of such sanction or of rejection or modification of a scheme;
(g) powers to facilitate movement of population and powers of entry;
(h) powers to make a survey or contribute towards its costs; and
(i) such other matters as may be necessary.

77. Notice of schemes.-
(1) As soon as may be, after a scheme has been framed by the Urban Improvement Committee, the Urban Improvement Committee shall prepare a notice stating the fact that the scheme has been framed and that the boundaries of the localities comprised therein and the place or places at which and the time at which the scheme including a statement of the land proposed to be acquired and the general map of the locality comprised in the scheme, may be inspected.
(2) The Urban Improvement Committee shall, notwithstanding anything contained in the sanctioned scheme, cause the said notice to be notified and also published in a newspaper weekly on three consecutive weeks along with a statement of the period within which objections shall be received.
(3) On the notification and publication of notice under subsection (2), the scheme shall be deemed to be in force and no person shall thereafter erect, re-erect, add or alter any building or buildings within the area of the scheme except with the permission of the Urban Improvement Committee.
(4) The objections under subsection (2) shall be disposed of in the prescribed manner.

78. Notice of acquisition of land and notification of schemes.-
(1) During thirty days following the first day on which the notice is notified and published, the Urban Improvement Committee shall serve a notice on every person whom the Urban Improvement Committee has reason to believe to be owner or occupier of any immovable property which is proposed to be acquired in executing the scheme and such notice shall state that the Urban Improvement Committee proposes to acquire such property for purposes of carrying out a scheme and requiring such person, if he objects to such acquisition, to state his reasons in writing within a period of sixty days from the service of the notice.
(2) The sanction of the scheme by the authority competent to do so under the rules shall, on notification, be conclusive evidence that the scheme has been duly framed and sanctioned.

79. Approval of Development Plan. - The Development Plan of a local government shall be sanctioned in its meeting.

80. Development Plans to be included in the Budget.- As far as may be, the schemes included in the Development Plan shall be included in the budget.”
THIRD SCHEDULE
[see section 115]
“LOCAL GOVERNMENT TAXATION
Part-II
Taxes and other levies by District Councils

1) Tax on the transfer of immovable property.
2) Fees for licenses, sanctions and permits granted by the District Council.
3) Market fees for the markets maintained by the District Council.
4) Local rate on lands assessable to land revenue.
5) Rates on the services provided by the District Council.
6) Fees at fairs, agricultural shows and industrial exhibitions.
7) Fees for specific services rendered by the District Council.
8) Toll on bridges and ferries maintained by the District Council.
9) Tax for the construction or maintenance of a work of public utility.
10) Tax on advertisement and billboards.
11) [Omitted * * *]
12) Fee for approval of building plans, erection and re-erection of building other than residential buildings.
13) Fee for change of land use of a land or building as prescribed.
14) Water conservancy charge from the owner or occupier of a house or any other building, except an educational institution having a swimming pool with a minimum surface area of 250 square feet.
15) Tax on installation of Base Transceiver Station/Tower.
16) Fee for licensing of professions or vocations as prescribed.
17) Any other tax or levy authorized by the Government.

Annex 3: Own Sources of Revenues of District Council as per PLGA 2013
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### Annex 4: Estimated Income and Expenditure of District Council Kasur (Current and Development ADP)

**SUMMARY OF RECEIPTS FOR THE YEAR 2016-17 & 2017-2018**

**DISTRICT COUNCIL KASUR**

<table>
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<tr>
<th>Sr. No.</th>
<th>DESCRIPTION</th>
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<td>0</td>
<td></td>
</tr>
<tr>
<td>1</td>
<td>Allocation for Chairman Union Councils</td>
<td>0</td>
<td>0</td>
<td>504,033</td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>Sports</td>
<td>0</td>
<td>0</td>
<td>30,000</td>
<td></td>
</tr>
<tr>
<td>3</td>
<td>Unforeseen / Emergent Expenditure</td>
<td>0</td>
<td>0</td>
<td>50,000</td>
<td></td>
</tr>
<tr>
<td>4</td>
<td>Waste Management</td>
<td>0</td>
<td>0</td>
<td>50,000</td>
<td></td>
</tr>
<tr>
<td>5</td>
<td>Beautification of Park, roads, pathways</td>
<td>0</td>
<td>0</td>
<td>20,000</td>
<td></td>
</tr>
<tr>
<td>6</td>
<td>Water Filtration Plant</td>
<td>0</td>
<td>0</td>
<td>20,000</td>
<td></td>
</tr>
<tr>
<td></td>
<td>TOTAL INCOME DISTRICT COUNCIL</td>
<td>83,200</td>
<td>380,581</td>
<td>674,033</td>
<td></td>
</tr>
</tbody>
</table>
The size of a particular government's workforce is highly dependent on the activities undertaken by that government as well as how respective public services are delivered. Services could be directly provided by the government, be delegated to private enterprises, non-profit organizations, or specialized agencies, or even fully privatized. Depending on the form of delivery, different sizes of government workforces are required.

What services governments provide and how they are delivered is defined, amongst others, by historical developments, culture, economic considerations, and politics. As Figure 5 illustrates, even among OECD countries, there are vast differences in the size of a government workforce relative to the workforce employed in the private sector. For example, in Norway (NOR), Denmark (DNK) and Sweden (SWE), almost every third employee works in the public sector, while in Germany (DEU), it is only every tenth.

Figure 1. Employment in general government as a percentage of total employment, 2007, 2009 and 2015.  

![Bar chart showing employment in general government as a percentage of total employment across OECD countries.](source: OECD (2017) Governments at a Glance)

It is especially difficult to compare public sector employment on the subnational level between different countries as this highly depends on the intergovernmental setup and which functions are assigned to which level. For example, in France, there is a special civil service for hospitals and public employees in the health sector – in other countries, these are counted among employees of local governments. Table 9 below gives an overview over a selection of different countries, their workforce per level of government and the number of inhabitants per local government employee. The table shows the vast differences in the size of the public sector between countries.
Table 1. Public Sector Employment per country and inhabitants per local government employee

<table>
<thead>
<tr>
<th>COUNTRY</th>
<th>DATA FROM YEAR</th>
<th>SIZE OF WORKFORCE</th>
<th>POPULATION</th>
<th>POPULATION PER LOCAL GOVERNMENT EMPLOYEE</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>FEDERAL/NATIONAL</td>
<td>STATE/PROVINCES</td>
<td>LOCAL GOVERNMENT</td>
</tr>
<tr>
<td>PAKISTAN</td>
<td>2016-17</td>
<td>570,553</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>PUNJAB</td>
<td></td>
<td>484,579</td>
<td>52,000</td>
<td>30,530,000</td>
</tr>
<tr>
<td>KHYBER PAKHTUN KHWA</td>
<td>2018</td>
<td>-</td>
<td>500,000</td>
<td>30,530,000</td>
</tr>
<tr>
<td>GERMANY</td>
<td>2017</td>
<td>493,400</td>
<td>2,387,540</td>
<td>30,530,000</td>
</tr>
<tr>
<td>AUSTRALIA</td>
<td>2018</td>
<td>240,700</td>
<td>1,558,700</td>
<td>30,530,000</td>
</tr>
<tr>
<td>CANADA</td>
<td>2012</td>
<td>419,542</td>
<td>1,617,986</td>
<td>30,530,000</td>
</tr>
<tr>
<td>UNITED STATES OF AMERICA</td>
<td>2016</td>
<td>2,085,973</td>
<td>4,338,661</td>
<td>323,400,000</td>
</tr>
<tr>
<td>SOUTH AFRICA</td>
<td>2018</td>
<td>469,128</td>
<td>1,041,711</td>
<td>323,916</td>
</tr>
<tr>
<td>FRANCE</td>
<td>2017</td>
<td>2,504,900</td>
<td>-</td>
<td>323,916</td>
</tr>
<tr>
<td>UK</td>
<td>2018</td>
<td>3,140,000</td>
<td>-</td>
<td>323,916</td>
</tr>
<tr>
<td>JAPAN</td>
<td>2018</td>
<td>570,000</td>
<td>-</td>
<td>120,630,000</td>
</tr>
</tbody>
</table>

49 Provincial level: number of sanctioned posts 2014/15.
49 Data for local governments does not include devolved sectors – only employees of the local council board and the DG LG office and its field formations. Data for the provincial level is approximated.
50 The number is the equivalence of part time hours and full-time employees.
51 Provinces and territories include higher education, social and health services; Local Government does not include 744,239 Local School Board employees. Does not include employees of local government enterprises.
52 Federal Workforce: Full time employment equivalent. Includes all employment by government.
53 Does not include Extrabudgetary institutions and Universities
54 Data includes regional councils in local governments. Does not include health sector such as hospitals and public retirement homes.
55 Government employment does not include employees accounted for in other sectors.
To illustrate how different country specific setups of intergovernmental relations result in vast difference in employment in local governments, Figure 6 below gives the share of central and subnational levels of government of the total government workforce.

In countries like Japan, Germany, and Canada, the overwhelming majority of public sector employees works at the state or local level. In contrast to that, in Ireland, 90 percent of public sector employees work at the Centre. However, from this, it cannot be concluded that Ireland does not provide the same level of public services to its citizens as Germany does. It might be merely the intergovernmental setup and the mode of delivery of services that are different in Ireland.

**Figure 2. Distribution of general government employment across levels of government, 2014**

Another caveat is the data that is available. The different national statistical offices may count public sector employment in a different manner and may exclude different categories of employees that are included in the statistics of other countries and vice versa. Consequently, population per local government employee is only one of several parameters which can be used as a yardstick to compare sizes of local governments between different countries with different systems.

A more comparable number would be to the number of local government employees that are tasked with general administration tasks comparable to the tasks of District and Municipal Officers in Punjab, i.e. excluding local government employees working in sectors like health and education.

<table>
<thead>
<tr>
<th>COUNTRY/STATE</th>
<th>LOCAL GOVERNMENT EMPLOYEE WITHOUT SECTORS</th>
<th>POPULATION</th>
<th>POPULATION PER LOCAL GOVERNMENT EMPLOYEE WITHOUT SECTORS</th>
</tr>
</thead>
<tbody>
<tr>
<td>PAKISTAN – PUNJAB</td>
<td>52,000</td>
<td>110,000,000</td>
<td>2,155.38</td>
</tr>
<tr>
<td>PAKISTAN – KHYBER PAKHTUNKHWA (LCB AND DG LGE&amp; RDD OFFICE)</td>
<td>22,708</td>
<td>30,530,000</td>
<td>1,344.46</td>
</tr>
<tr>
<td>GERMANY</td>
<td>384,440</td>
<td>82,790,000</td>
<td>215.35</td>
</tr>
<tr>
<td>UNITED STATES OF AMERICA*</td>
<td>627,576</td>
<td>323,400,000</td>
<td>515.37</td>
</tr>
</tbody>
</table>

* Provincial level: number of sanctioned posts 2014/15.
However, even this number is not really comparable as the data does not really make it clear what functions these officers are executing. It can be concluded that international experiences do not easily inform about the optimal size for the workforce of local governments. The size could depend on the institutional set-up for service delivery (including service provision by the private sector), on budget constraints, on the level and complexity of functions devolved to local governments, and on the mode and level of service delivery chosen by those local governments.

Table 3:

<table>
<thead>
<tr>
<th>Province</th>
<th>Source</th>
</tr>
</thead>
<tbody>
<tr>
<td>Khyber Pakhtunkhwa</td>
<td>Local Government – approximate numbers by Local Government &amp; Community Development Department</td>
</tr>
</tbody>
</table>
BRIEFING NOTE 2: ELECTORAL SYSTEM DESIGN


GIZ Document

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Electoral systems translate the votes of an election into seats won by parties or candidates. Its most basic elements are the electoral formula, the ballot structure and the size of the electoral units. The design of an electoral system can influence the party structure e.g. leading to fragmentation, elitism or inclusiveness. In turn, this can have an impact on conflicts in the area helping to pacify or aggravating existing tensions.

When designing an electoral system, one should keep the type of body to be elected, its power and its functions in mind. Nevertheless, there are other specific framework conditions to consider, such as constitutional and other legislative provisions, present conflict in the area, the magnitude of power of resident parties, the expected popular and political support for any kind of reform as well as the availability of financial and personnel resources for drawing electoral boundaries, voter registration, ballot paper design and production, voter education, polling days determination, by-elections and the count. As electoral systems are highly context specific, the existing framework conditions can influence the outcome of a system in different regimes.

**Figure 1: Electoral Systems Families**

![Figure 1: Electoral Systems Families](image)


Table 1 below, evaluates the advantages and disadvantages of a Plurality/ Majority system, specifically the FPTP, a Mixed System, specifically the MMP, and a Proportional Representation system, specifically the List PR.
<table>
<thead>
<tr>
<th>Criteria</th>
<th>Plurality/ Majority (FPTP)</th>
<th>Mixed (MMP)</th>
<th>Proportional Representation (List PR)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Providing Representation</td>
<td>+ strong geographic representation - excludes minority parties - excludes women</td>
<td>+ geographic representation + inclusiveness</td>
<td>- weak geographic representation + minority representation + easier for women representatives to be elected</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Making Elections Accessible and Meaningful</td>
<td>+ simple to understand + offers voters a clear choice: Many wasted votes - difficult to organize absentee voting - may lead to gerrymandering</td>
<td>- Complicated system + few wasted votes + More difficult to arrange absentee voting + strategic voting possible</td>
<td>+ facilitates absentee voting + few wasted votes + higher voter turnout likely + Complicated implementation</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Providing Incentives for Conciliation</td>
<td>- high likelihood of single-party regions</td>
<td>- Can lead to inclusion of extremist parties - accumulation of power within party headquarter</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Facilitating Stable and Efficient Government</td>
<td>+ less fragmentation + excludes extremist parties</td>
<td>+ can create two classes of representatives</td>
<td>- Can lead to inclusion of extremist parties - tendency for fragmentation - over-representation of small parties +/- inability to throw party out of power + inclusiveness + smoother transitions from one to another legislative period</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Holding the Government Accountable</td>
<td>- Low responsiveness to change in public opinion</td>
<td>- depends on the class of representatives</td>
<td>- inability to throw party out of power + more transparent power-sharing</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Holding Individual Representatives Accountable</td>
<td>+ makes accountability easier to enforce</td>
<td>- depends on the class of representatives</td>
<td>- Weak link between representative and constituency</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Encouraging Political Parties (Party Fragmentation)</td>
<td>+ less fragmentation</td>
<td>-</td>
<td>- tendency for fragmentation</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Promoting Legislative Opposition and Oversight</td>
<td>- high likelihood of single-party regions + encourages coherent opposition</td>
<td>-</td>
<td>+ inclusiveness + restricts growth of single-party regions</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sustainability of Election Process (administrative and financial capacities)</td>
<td>- Often need for by-elections - requires boundary delimitation</td>
<td>- Often need for by-elections - requires boundary delimitation</td>
<td>- Complex implementation + no or less need to draw boundaries + no need for by-elections</td>
</tr>
</tbody>
</table>

In a **Plurality/Majority System**, e.g. as used by Pakistan, the UK, Kenya or Malaysia, the candidate or party with the most votes is considered to be the winner. The simplest electoral system of this category is the First Past The Post (FPTP). In a single member district and candidate centered election, the voter only chooses one of the presented options.

A **mixed system** tries to join positive elements of the Plurality/Majority system and Proportional Representation. During an election two different electoral systems run parallelly. In a Mixed Member Proportional (MMP), used for example in Germany, South Africa or New Zealand, the results of the two electoral systems are connected. The allocated seats at the Proportional Representation level depend on what happens in the Plurality/Majority system.

In the **Proportional Representation (PR)** the share of votes for a party is translated into its proportional share of seats in the legislature. PR only works in electoral units with more than one member. The most basic system of PR is the List PR, used for example by Portugal, Sri Lanka or Finland. In this system, voters normally vote for parties instead of individual candidates. In a closed party list system, voters only vote for a particular party. The party itself then decides which party members will fill the won seats. In an open party list system, voters can select individual candidates, in addition to voting for entire parties.

In a PR system, a mathematical method to translate votes proportionally into whole seats is necessary. There are two types of methods for list systems with proportional representation: **Highest average systems** using divisors (e.g. d’Hondt or the Sainte-Laguë methods) or the **larger remainder systems** using subtraction (e.g. Hare). Using a highest average system like the **d’Hondt method**, the number of each party’s total votes is repeatedly divided, until all seats are filled, by the divisor 1 + the number of seats already allocated. Each division produces an average. The list with the highest average vote is awarded the first seat, the next highest the second seat etc. The d’Hondt method supports the facilitation of majorities but is overall less proportional. See the below box for an example for the calculation:

**Box 1: Example of the highest average system according to d’Hondt**

<table>
<thead>
<tr>
<th>Party</th>
<th>Party B</th>
<th>Party C</th>
<th>Party D</th>
</tr>
</thead>
<tbody>
<tr>
<td>Party A</td>
<td>400</td>
<td>300</td>
<td>200</td>
</tr>
<tr>
<td>Party B</td>
<td>300</td>
<td>150</td>
<td>100</td>
</tr>
<tr>
<td>Party C</td>
<td>200</td>
<td>100</td>
<td>66.7</td>
</tr>
<tr>
<td>Party D</td>
<td>100</td>
<td>75</td>
<td>50</td>
</tr>
</tbody>
</table>

1. Put all total numbers of votes into a row.
2. Divide each figure by 1, 2, 3, 4, 5, …, n.
3. Pick the highest quotient in the list (400 for Party A). One seat is awarded to Party A.
4. Pick the next highest quotient in the list (200 for Party B). The second seat is allocated to Party B.
5. Continue till all seats are filled.

The **Hare method** uses two steps. First, the number of second votes obtained by a party is multiplied by the total number of seats to be distributed and divided by the total number of all second votes to be considered. In a second step, the result is split up into the integral share and the residual. The integral shares are allocated to the parties in the form of seats. The remaining seats are allocated to the parties in the order of size of the residuals. In contrast to the d’Hondt method, the disadvantage of smaller parties is remedied with this method. Nevertheless, issues like losing a seat when the total number of seats increases while the distribution of votes remains unchanged, occur.
Another feature of the party list system is the vote threshold. In many countries there is an arbitrary percentage of the votes that parties have to achieve before any seat can be allocated to them. The threshold simplifies the seat allocation process and prevents fragmentation.

A second system that is being used for PR is the **Single Transferable Vote (STV)**. Under this system that is for example used in Ireland or Malta and requires multi-member electoral units, voters vote for individual candidates, not for parties. Individual voters rank candidates according to their 1st, 2nd, …, nth priority. There are several formulas to calculate the awarded seats. The most widely used one is the Droop quota. It determines the minimal number of votes an individual candidate must get in order to be awarded a seat:

### Box 3: Droop quota

<table>
<thead>
<tr>
<th>Party</th>
<th>Calculation</th>
<th>Order of residuals as per size</th>
<th>Seats thus to be allocated</th>
</tr>
</thead>
<tbody>
<tr>
<td>Party A</td>
<td>$8 \times 10,000 \div 17,500 = 4$ remains 0.57</td>
<td>3.</td>
<td>4</td>
</tr>
<tr>
<td>Party B</td>
<td>$8 \times 6,000 \div 17,500 = 2$ remains 0.74</td>
<td>2.</td>
<td>$2 + 1 = 3$</td>
</tr>
<tr>
<td>Party C</td>
<td>$8 \times 1,500 \div 17,500 = 0$ remains 0.69</td>
<td>1.</td>
<td>$0 + 1 = 1$</td>
</tr>
</tbody>
</table>

Another feature of the party list system is the vote threshold. In many countries there is an arbitrary percentage of the votes that parties have to achieve before any seat can be allocated to them. The threshold simplifies the seat allocation process and prevents fragmentation.

A second system that is being used for PR is the **Single Transferable Vote (STV)**. Under this system that is for example used in Ireland or Malta and requires multi-member electoral units, voters vote for individual candidates, not for parties. Individual voters rank candidates according to their 1st, 2nd, …, nth priority. There are several formulas to calculate the awarded seats. The most widely used one is the Droop quota. It determines the minimal number of votes an individual candidate must get in order to be awarded a seat:

### Box 3: Droop quota

<table>
<thead>
<tr>
<th>Total number of valid votes</th>
<th>Total number of seats up for election</th>
<th>Minimum number of votes</th>
</tr>
</thead>
<tbody>
<tr>
<td>$1,000$</td>
<td>$3$</td>
<td>$251$</td>
</tr>
</tbody>
</table>

Imagine 1,000 votes have been cast for 3 seats up for election. The Droop quota would amount to 

$$\frac{1,000}{3+1} + 1 = 251.$$ 

This means, a candidate needs at least 251 votes to win a seat.

For the method for the allocation of seats, please refer to King (2000): Electoral Systems.
THE PUNJAB LOCAL GOVERNMENT
ACT 2019

(Act XIII of 2019)*

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TEXT THE PUNJAB LOCAL GOVERNMENT (AMENDMENT) ACT 2013 (XXIII OF 2013) [13th December 2013]

An Act to amend the Punjab Local Government Act 2013.
Whereas it is expedient to amend the Punjab Local Government Act 2013 (XVIII of 2013) for purposes hereinafter appearing; It is enacted as follows:

1. Short title and commencement.
(1) This Act may be cited as the Punjab Local Government (Amendment) Act 2013.
(2) It shall come into force at once.

2. Amendment in section 2 of Act XVIII of 2013
In the Punjab Local Government Act 2013 (XVIII of 2013), hereinafter referred to as “the said Act”, in section 2, after clause (iii), the following new clause (iii-a) shall be inserted: “(iii-a) “ward” means a ward of a Union Council or, as the case may be, that of a Municipal Committee;”

3. Amendments in section 8 of Act XVIII of 2013.—In the said Act, in section 8, the following amendments shall be made: (a) in subsection (2), in clause (b), the comma and the words “, a Municipal Committee” shall be omitted. (b) after subsection (2), the following new subsections (3) and (4) shall be inserted: “(3) The Government shall, in the prescribed manner, delimit a Union Council into six wards for the election of members on general seats and into two wards, consisting of three adjoining wards of the Union Council, for the election of the two seats reserved for women. (4) A ward shall, as far as possible, consist of a part of a village, one or more adjoining villages and, in case of an urban area, a part of a census block, census block or adjoining census blocks and, as far as possible, the population of wards shall be uniform.”

4. Insertion of section 10A in Act XVIII of 2013.— In the said Act, after section 10, the following new section 10A shall be inserted: “10A. Finality of delimitation.— A court, officer or authority shall not review or correct any delimitation of a Union Council or ward after the notification of the election schedule.

5. Amendments in section 12 of Act XVIII of 2013.— In the said Act, in section 12: (a) in subsection (1), the brackets and figure “(1)” shall be omitted; and (b) subsection (2) shall be omitted.
6. Substitution of section 13 of Act XVIII of 2013.— In the said Act, for section 13, the following shall be substituted: “13. Union Council.— (1) A Union Council shall consist of directly elected Chairman and Vice Chairman, as joint candidates, six general members, one from each ward of the Union Council, and the
following directly elected members on the reserved seats: (a) two women members; (b) one peasant member in a rural Union Council or one worker member in an urban Union Council; (c) one youth member; and (d) one non-Muslim member. (2) For purposes of the election of the Chairman and Vice Chairman and the members mentioned in clauses (b), (c) and (d) of subsection (1), the entire Union Council shall be one ward and for election of the women members mentioned in clause (a) of that subsection, a Union Council shall be two wards consisting of three adjoining wards of a Union Council.”

7. Amendments in section 14 of Act XVIII of 2013.– In the said Act, in section 14, in subsection (2): (a) the comma and words“, Vice Chairmen and members” shall be omitted; and (b) for clause (e), the following shall be substituted: “(e) such non-Muslim members, not exceeding five, as the Government may notify for each District Council.”

8. Amendments in section 15 of Act XVIII of 2013.– In the said Act, in section 15: (a) in subsection (1), the comma and words“, Vice Chairmen and members” shall be omitted; (b) in subsection (2): (i) the comma and words “, Vice Chairmen and members” shall be omitted; and (ii) for clause (e), the following shall be substituted: “(e) such non-Muslim members, not exceeding five, as the Government may notify for each Municipal Corporation.”; and (c) in subsection (3), for clause (d), the following shall be substituted: “(d) such non-Muslim members, not exceeding three, as the Government may notify for each Municipal Committee.”

9. Substitution of section 18 of Act XVIII of 2013.– In the said Act, for section 18, the following shall be substituted: “18. Franchise.— Save as otherwise provided, election of members of all local governments shall be held through secret ballot on the basis of adult franchise in such manner as may be prescribed.”

10. Amendment in section 19 of Act XVIII of 2013.– In the said Act, in section 19, for subsection (1), the following shall be substituted: “(1) The Election Commission shall conduct the local government elections and, for the purpose, shall, by notification in the official Gazette, declare the election schedule for election under this Act.”

11. Amendment in section 21 of Act XVIII of 2013.– In the said Act, in section 21, in subsection (2), after the word “prepared”, the words “or adapted or adopted” shall be inserted.

12. Substitution of section 22 in Act XVIII of 2013.–In the said Act, for section 22, the following shall be substituted: “22. Appointment of District Returning Officer, Returning Officer etc.— (1) The Election Commission shall appoint from amongst the officers of the Election Commission, the Government, a body or entity controlled by the Government, District Returning Officers, Returning Officers and Assistant Returning Officers for purposes of election under this Act. (2) An Assistant Returning Officer shall assist the Returning Officer in the performance of his functions under this Act and may, subject to such conditions as may be imposed by the Election Commission, exercise the powers and perform the functions of the Returning Officer, under the control of the District Returning Officer. (3) The District Returning Officer shall do all such acts as may be necessary for effectively conducting an election in accordance with the provisions of this Act and the rules.”

13. Substitution of section 23 in Act XVIII of 2013.–In the said Act, for section 23, the following shall be substituted: “23. Polling stations.— (1) The Returning Officer shall, before such time as the Election Commission may fix, submit to the District Returning Officer a list of polling stations he proposes to provide for a Union Council or a ward for purposes of election. (2) Subject to the direction of the Election Commission, the District Returning Officer may make such alterations in the list of polling stations submitted under subsection (1) as he deems necessary and shall, within fifteen days before the polling day, publish in the official Gazette the final list of polling stations specifying the electoral area, the voters who are entitled to vote at each polling station. (3) The Returning Officer shall, for a Union Council and a ward, establish a polling station or polling stations according to the final list published under subsection (2). (4) A polling station shall not be located in any premises belonging to or under the control of any candidate.”

14. Substitution of section 24 in Act XVIII of 2013.–In the said Act, for section 24, the following shall be substituted: “24. Presiding Officers and Polling Officers.— (1) A Returning Officer shall appoint for each polling station a Presiding Officer and such number of Assistant Presiding Officers and Polling Officers from amongst the officers of the Government, local governments and corporations established or controlled by such governments to assist the Presiding Officer as the Returning Officer may consider necessary. (2) A person who is or has, at any time, been in the employment of any candidate shall not be appointed as a Presiding Officer, Assistant Presiding Officer or Polling Officer. (3) A list of such Presiding Officers, Assistant Presiding Officers and Polling Officers shall be submitted to the District Returning
that I am not the follower of any one who claims to be a Prophet in any sense of the word or of any reason, falls vacant during the term of office of the Union Council, the new member shall be elected on the basis of the number of wards in a Municipal Committee.

15. Amendments in section 27 of Act XVIII of 2013.-In the said Act, in section 27: (a) in subsection (1), in clause (b), for the word “or”, the word “and” shall be substituted; (b) in subsection (1), for clause (c), the following shall be substituted: “(c) is enrolled as a voter in the electoral rolls of the ward or the local government from which he is contesting the election.”; (c) in subsection (2): (i) in clause (i), after semi-colon, the word “and” shall be inserted; (ii) in clause (j), for semi-colon and the word “and”, a full-stop shall be substituted; and (iii) clause (k) shall be omitted; and (d) after subsection (3), the following subsection (4) shall be inserted: “(4) A candidate who claims to be a Muslim shall submit to the Returning Officer the declaration given in Ninth Schedule along with the nomination papers.”

16. Amendments in section 32 of Act XVIII of 2013.-In the said Act, in section 32: (a) for sub section (4), the following shall be substituted: “(4) If a member of a Union Council is elected as Vice Chairman of the Union Council under subsection (3) or the office of the directly elected member of the Union Council, for any reason, falls vacant during the term of office of the Union Council, the new member shall be elected in the prescribed manner within one year from the date such vacancy is notified and he shall, subject to this Act, hold office for the remaining term of the Union Council.”; and (b) for sub section (6), the following shall be substituted: “(6) If the vacancy in the office of a directly elected member of a Union Council or a Municipal Committee occurs within one year of the expiry of the term of the Union Council or, as the case may be, the Municipal Committee, the vacancy shall not be filled.”

17. Amendments in section 144 of Act XVIII of 2013.– In the said Act, in section 144, after subsection (3), the following subsection (4) shall be inserted: “(4) Notwithstanding anything contained in subsection (1), the Government may, in an emergency and for reasons to be recorded, dispense with the requirement of previous publication required under subsection (1).”

18. Amendments in First Schedule of Act XVIII of 2013.– In the said Act, in the First Schedule: (i) for Part-I, the following shall be substituted: “PART-I Union Council Mode of Election Membership Direct Chairman and Vice Chairman, as joint candidates. Direct Six general members. Direct Two women members. Direct One peasant or worker member. Direct One youth member. Direct One non-Muslim member.” (ii) in Part-II, in the column titled “Membership”, for the last entry, the following shall be substituted: “Such number of non-Muslim members, not exceeding five, as the Government may, by notification, determine on the basis of the number of Union Councils in a District Council.”; (iii) in Part-III, in the column titled “Membership”, for the last entry, the following shall be substituted: “Such number of non-Muslim members, not exceeding three, as the Government may, by notification, determine on the basis of the number of wards in a Municipal Committee.”; and (iv) in Part-IV, in column titled “Membership”, for the last entry, the following shall be substituted: “Such number of non-Muslim members, not exceeding five, as the Government may, by notification, determine on the basis of the number of Union Councils in a Municipal Corporation”.

19. Insertion of Ninth Schedule in Act XVIII of 2013.– In the said Act, after Eighth Schedule, the following Ninth Schedule shall be inserted: “NINTH SCHEDULE Declaration I, s/o, w/o, d/o solemnly swear that I believe in the absolute and unqualified finality of the Prophethood of Muhammad (Peace be upon him), the last of the prophets, and that I am not the follower of any one who claims to be a Prophet in any sense of the word or of any description whatsoever after Prophet Muhammad (Peace be upon him), and that I do neither recognize such a claimant to be Prophet or religious reformer nor do I belong to the Qadiani group or the Lahori
group or call myself an Ahmadi. Date: Signature of the candidate.”

20. Repeal.– The following Ordinances are hereby repealed: (a) the Punjab Local Government (Amendment) Ordinance 2013 (VI of 2013); (b) the Punjab Local Government (Second Amendment) Ordinance 2013 (VII of 2013); (c) the Punjab Local Government (Third Amendment) Ordinance 2013 (VIII of 2013); and (d) the Punjab Local Government (Fourth Amendment) Ordinance 2013 (IX of 2013).
(XIII of 2001)*1
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