



LOCAL GOVERNMENT SYSTEM IN PAKISTAN AND THE ABERDEEN AGENDA

SYMPOSIUM ON STRENGTHENING DECENTRALIZATION IN PAKISTAN AND THE COMMONWEALTH

**Organized by
National Reconstruction Bureau in collaboration with
Commonwealth Local Government Forum & Commonwealth Secretariat**

**24-25 July, 2006
ISLAMABAD, PAKISTAN**

Sponsors



PREFACE

The Aberdeen Agenda was initiated at the Commonwealth Local Government Conference 2005 held in Aberdeen on 15-17 March 2005. It was approved at the Commonwealth Local Government Forum (CLGF) General Meeting of members on 18 March, 2005. More than forty Commonwealth countries supported the **Aberdeen Agenda: Commonwealth Principles on Good Practice for Local Democracy and Good Governance**. It was later endorsed by the Commonwealth Heads of Governments meeting in Malta in November, 2005. The Aberdeen Agenda is based on twelve points, which lay down the principles for ensuring strong local governments and good governance. The clear message at the conference was that local democracy is the key to development and without local democracy there can be no effective democracy. Member countries throughout the Commonwealth are now adopting these principles in order to ensure that local governments have the autonomy to fulfill the mandate of the people.

Many initiatives were taken to improve governance in the sub-continent by the British and after independence by the Government however the plight of the people and services could not improve, as the reforms were cosmetic and superficial in nature. The Land Revenue Act 1967, Police Act 1861, Criminal Procedure Code (CrPC) and Pakistan Penal Code (PPC) etc., continued to be implemented as under the British Raj. In essence the British Raj was replaced with bureaucratic rule. The Commissioner, Deputy Commissioner, Assistant Commissioner, Superintendent of Police, and line departments etc. performed the same functions and in the same manner as before. The reforms and the systems could not take roots, as they did not address the fundamental issues of governance. The bureaucracy as before remained in firm control over all local institutions.

Pakistan embarked on devolution and governance reforms in 1999. The main achievement has been the introduction of a new local government system introduced in August 2001 when all four provincial Governments promulgated their respective Local Government Ordinance, 2001. This book analyses the local government system in Pakistan in the light of the Aberdeen Agenda. On analysis it is clear that the local government system introduced in 2001 in Pakistan incorporates the twelve principles for local democracy and good governance. In addition, the Pakistan model has introduced many new innovations for empowering the people at the local level.

The concept of reserving 25% of the development funds for Citizen Community Boards is an exciting new idea, which could be easily replicated by other countries. The establishment of institutions with membership from the elected representatives and civil society like the Provincial Finance Commissions for ensuring equitable, transparent and predictable fiscal transfer, is a framework, which has proved to be an effective measure.

The local government system addresses the principles of political freedom, partnership & cooperation, principle of subsidiarity, community participation, accountability, transparency and capacity building.

The devolution reforms have empowered the people, who now control the decision making process at the local level. It is for the first time after 150 years of colonial rule that

structural reforms have been introduced and implemented. The reforms have concentrated on moving from a bureaucratic to a political hierarchy. It has changed the colonial “officer/king” model to a democratic rights based system. The reforms have been designed to reorganize the political culture in order to create a political ownership of the institutions and their outputs. The current reforms have changed the formal administrative structure by assigning the responsibility and power to the elected representatives of the people.

The local government model in Pakistan has been keenly studied by countries throughout the world especially those which were under the British Rule. Given the tremendous interest in the system the Secretary General, Commonwealth Local Government Forum (CLGF), and the National Reconstruction Bureau (NRB) is holding a two-day Symposium on ‘Strengthening Decentralization in Pakistan and the Commonwealth’ at Islamabad, on 24 and 25 July, 2006. A major objective of the Symposium is to share the local government reform in Pakistan and its impact on development, poverty reduction and governance with the Commonwealth member states.

This book prepared by NRB highlights the salient features of the local government system in Pakistan especially in relation to the Aberdeen Agenda. The information pertaining to the institutions and agencies has been summarized from the various reports of the concerned institutions. It is expected that the material will be a useful starting point for those interested in local democracy and introducing fundamental changes.

National Reconstruction Bureau
July 24, 2006
Islamabad

TABLE OF CONTENTS

1.	Aberdeen Agenda: Commonwealth Principles on Good Practice for Local Democracy and Good Governance	1
2.	Governance Reforms and Local Democracy	3
3.	Local Government System, 2001	9
4.	Local Government System, 2001 and the Aberdeen Agenda	17
4.1	Constitutional and legal recognition for local democracy.....	17
4.2	Political freedom to elect local representatives.....	19
4.3	Partnership and co-operation between spheres of government.....	29
4.4	Principle of subsidiarity and appropriate powers for local government.....	33
4.5	Citizens should be able to participate in decision-making.....	57
4.6	Local government should be accountable to the community.....	61
4.7	Open and transparent decision-making.....	71
4.8	Scrutiny of the executive.....	83
4.9	Inclusiveness of all sectors of the community, particularly women.....	95
4.10	Adequate and equitable resource allocation for local government to fulfill its mandate.....	101
4.11	Services should be accessible to all, reflecting the diverse needs of the community.....	135
4.12	Continuous capacity-building for effective leadership including through international partnerships.....	137
5.	International experience and local government system in Pakistan.....	169
6.	Donor perspective on local government system in Pakistan.....	179
7.	Conclusion.....	189

**1. ABERDEEN AGENDA: COMMONWEALTH PRINCIPLES ON
GOOD PRACTICE FOR LOCAL DEMOCRACY AND GOOD
GOVERNANCE**

The Aberdeen Agenda was drawn up at the Commonwealth Local Government Conference 2005 held in Aberdeen from 15-17 March and endorsed at the CLGF General Meeting of members on Friday 18 March, 2005. The Conference brought together more than 500 local government leaders, senior officials and over 20 national ministers from across the Commonwealth: from Australia to Jamaica, Nigeria to New Zealand, India to South Africa. More than forty Commonwealth countries backed the **Aberdeen Agenda: Commonwealth Principles on Good Practice for Local Democracy and Good Governance**, a twelve-point plan outlining the key principles for strong local democracy.

Speaking after the conference, newly elected CLGF chairperson Captain John Otekat, President of the Uganda Local Authorities Association, said: “Local democracy and good local governance are key to development. Without local democracy there can be no effective democracy. Local democracy is as fundamental to the achievement of freedom and human rights as democracy at national level”.⁵

CLGF members throughout the Commonwealth are now adopting these principles and CLGF will develop its own work programme to support them. The twelve principles of the Aberdeen Agenda for local democracy and good governance and endorsed by the Commonwealth Local Government Forum are:

1. Constitutional and legal recognition for local democracy
2. Political freedom to elect local representatives
3. Partnership and co-operation between spheres of government
4. Principle of subsidiarity and appropriate powers for local government
5. Citizens should be able to participate in decision-making
6. Local government should be accountable to the community
7. Open and transparent decision-making
8. Scrutiny of the executive
9. Inclusiveness of all sectors of the community, particularly women
10. Adequate and equitable resource allocation for local government to fulfill its mandate

11. Services should be accessible to all, reflecting the diverse needs of the community
12. Continuous capacity-building for effective leadership including through international partnerships.

2. GOVERNANCE REFORMS AND LOCAL DEMOCRACY

Governance Reforms

The empowerment of citizens and local governments has been an ongoing struggle worldwide. In the sub-continent the East India Company first introduced the institution of local government in the year 1688, when it set up a Municipal Corporation in Madras. Outside the presidency towns, the first formal effort of municipal legislation in Indian sub-continent was the Conservancy Act of 1842. This Act was however, applied to Bengal alone. Local government legislation started on a wider scale in the Indian sub-continent after the promulgation of All-India Municipal Act, 1850. Many initiatives were taken to improve governance in the Indian sub-continent, e.g., Lord Mayo's Resolution in 1870 on administrative and financial decentralization, Lord Ripon's Resolution in 1882 on Local Self-Government, Minto-Morley reforms introduced through the Indian Councils Act, 1909, Local Self-Government Policy in 1915 by the Government of Lord Hardinge, Montagu Chelmsford reform proposals which ultimately took the shape of the Government of India Act, 1919. The Government of India Act passed in 1935 granted provincial autonomy with power to frame legislation on local governments system.

Pakistan came into existence on August 14, 1947. The country inherited the institutions, which were functioning in accordance with the colonial system of governance. Constitutional changes to make a new beginning took place in 1956 and 1962. The Basic Democracy system was introduced in 1959 through the promulgation of the Basic Democracies Ordinance, 1959. In 1960 the Municipal Administration Ordinance was promulgated to supplement the provisions of Basic Democracies Order, 1959 with reference to urban areas. A historical change took place in 1971 when Bangladesh was formed. The local government laws enacted in 1972 and 1975, however, could not be administered as elections under these laws were not held and official administrators continued to govern local institutions from 1971 to 1979. A new Constitution was passed by the National Assembly in 1973. In 1979 a new system of local government was initiated through the promulgation of the Local Government Ordinances, 1979.

Analysis of the above reforms indicates that the plight of people and basic services could not improve, as the efforts were superficial in nature. The fundamentals remained the same and the people could not be empowered and no real power could be transferred to the people at the local level. The Land Revenue Act 1967, Police Act 1861, Criminal Procedure Code, and Pakistan Penal Code etc., continued to be implemented as was the case in the British Raj. In essence the British Raj was replaced with "Afsar Shahi" i.e., officer and bureaucratic rule. The Commissioner, Deputy Commissioner, Assistant Commissioner, Superintendent of Police, and line departments etc. continued to perform the same functions and in the same manner as under the British rule.

The reforms and the systems could not take roots, as they did not address the fundamental issues of governance. The bureaucracy as before remained in firm control over all local institutions. Public services were not provided as a right but doled out as a favour through the informal system. Such favors included development funds, postings, transfers, recruitment,

contracts, license etc. Officials would translate “parchee” into executive orders. In this scenario neither the executive nor the elected representatives could be made responsible and accountable. Over time this led to deterioration of services and schools, hospitals, roads and institutions became dysfunctional.

The local government systems introduced in Pakistan in 1959 and 1979 were also based on the same principle of Officer/King relationship. The style of governance remained colonial in nature. The local governments and their officials were not made responsible to the people and their elected representatives as control of the erstwhile local governments remained with the administration. Controlling authority could dissolve the local governments and members could be suspended. Democratic system was under administrative control and people were unable to exercise their rights.

Despite entrenching the reforms and the systems in the Constitution, laws, rules, manuals, codes etc., the informal mechanism prevailed over all others. Development work was being undertaken and funds spent in the name of the people without involving them in the decision making process. The resistance to change the 150 years old system was in fact to perpetuate the administrative control over the people. Since 1947 more than 22 reports on civil service reforms were published but never implemented. Similar reforms had also been undertaken in the areas of police, judiciary, law, political parties etc.

Governments in developed countries have resolved such problems through the introduction of local level democracy. They all underwent a massive structural transformation from an administratively controlled system to one which is people centered. In some cases the rights based system of governance has come through revolutions or long struggle. In Pakistan the transition to local democracy has been comparatively smooth.

Local Democracy in Pakistan

The structure of local governance in Pakistan remained the same till 2001. From the above state of affairs it was evident that to empower the people so that they may exercise their rights required a new concept of local governance and fundamental changes in the political, administrative and financial structures. If local democracy was to flourish then the position on the ground had to change in favor of the people. Under the old system of politics, local governance democracy could not be sustained. The people had to be empowered to have control over the resources. Elected representatives answerable to the people needed to be made in charge. Democracy requires that people through their elected representatives be made responsible and accountable for their decisions. In a centralized and administratively controlled system the checks and balance become less effective.

To change a 150 years old system and to empower people requires through analysis and fundamental changes in the governance and administrative structures. This step was taken in Pakistan in 2001. The devolution reforms were introduced to ensure that the people were fully empowered and controlled the decision making process. It is for the first time that deep structural

reforms were introduced and implemented. The reforms have concentrated on moving from a bureaucracy to a political hierarchy. The reforms have been designed to reorganize the political culture in order to create a political ownership of the institutions and their outputs. Previously for reasons stated above the institutions could not flourish and perform their assigned functions effectively. The current reforms have changed the formal administrative structure by assigning the responsibility and power to the elected representatives of the people. The devolution reforms have challenged the status quo inherited from the British.

Local democracy and local governments now have a major say in the political arena. It is expected that by 2007 the crystallization of the political thought towards the new paradigm would be firmly entrenched. The political thought process is changing and is forcing the political parties to accept the reality of local governments and citizens electoral power.

Since August 2001 it has been a period of transition as well consolidation. In the past more than 80 percent of the friction between the provincial and local governments was due to administrative reasons like postings, transfers and recruitment. This matter has been resolved in the latest amendments in 2005 in the LGOs with the provinces agreeing to the creation of a District Service. Now Efficiency & Discipline action has been devolved to the local level in the amendments.

The relationship between the MNAs/MPAs and the local governments especially with the elected Nazims was a very difficult one. The new political structure had created heartburns. However, the latest amendments have formalized the relationship through the Provincial Local Government Commission (PLGC) a neutral body. The PLGC now arranges meetings between the MNAs/MPAs etc., and the Nazims where policy issues can be discussed and necessary recommendations formulated.

Prior to the amendments an EDO had to report to multiple Secretaries at the provincial level. The provincial Secretaries would be communicating directly with the concerned district officer rather than through the EDOs thus undermining the system. Under the latest amendments the provincial governments have agreed to restructure the provincial Departments and to align them with the local government administrative structure. The role of the provincial Government has changed after the promulgation of the Local Government Ordinances by the provincial Governments. Under the LGOs the functions assigned to the local governments have to be undertaken exclusively by the local governments. The role of the provincial Governments now is that of policy formulation, oversight, regulations, rule making, and standard setting etc. They are no more the executing and implementing agencies for functions decentralized to local governments.

Initially in 2001 the Administrative and financial reforms were lagging as compared to the political reforms as the election took place and the elected representative were in place in August 2001. The accompanying administrative and financial reforms could not keep pace with the political activity. The main reason was the slow progress on establishing the new institutions

like Provincial Finance Commissions (PFC), Provincial Local Government Commissions (PLGC), developing systems & procedures and notification of Rules.

Much progress has been made since 2001. The PFCs have been awarding awards since fiscal year 2002-2003 and the shares are being transferred on monthly basis into the local government accounts. The new institutions have been further strengthened by providing in the LGOs for a separate budget, organogram and Drawing & Disbursing Officer (DDO). With the passage of time they are exercising their full powers and autonomy.

The transfer of shares under the PFC award is not discretionary as it is now a legal requirement. The funds are transferred as per the share of each local government. The distribution formula of the PFC includes multiple parameters. Now the Provincial Governments have to think in terms of poverty, underemployment and resource distribution. It is the first time the Provincial Governments especially the Finance Departments have to grapple with such problems. Before devolution the funds were mainly provided in the urban areas and the rural poor were ignored. Now through the PFC award a mechanism for transparent and equitable distribution of resources has been introduced. The system is fully functional as salaries are being paid regularly by the local governments. The accounts are being monitored regularly by the various agencies like State Bank of Pakistan, Finance Departments, Accountant Generals, District Accounts Officers and the EDOs (F&P) in the local governments.

Local taxation had been another area where progress was slow as compared to their tax generation capacity. Under the LGO the whole Tehsil has been made a rating area for extending Urban Immovable Property Tax (UIPT) to rural areas. The results on the ground show that the own source revenues of the TMAs have increased after devolution. A random survey of TMAs shows that collection efficiency and increases in rates have taken place due to improved transparency in tax machinery. People are willing to pay taxes if it translates into visible improvements in service delivery.

The vertical programs of the donors, NGOs, RSPs and the Governments are not conducive to devolution. This has been highlighted by the donors in their report on devolution in Pakistan prepared jointly by the ADB, DFID and the WB. According to the report the various programmes and projects create bureaucracies at the provincial levels and parallel systems of implementation. One reason is that the donors have not been able to deal with local governments in the 110 districts through their traditional methods of dealing with only one provincial Government. They are, however, in the process of aligning their programs and strategies to the local government system. The dialogue with the provincial Governments for the consolidation and further strengthening of the local government system, spread over the past two years, has resulted in consensus on all issues relating to local governments.

The performance of the first term of the local governments has been extremely encouraging despite the huge difficulties and problems faced by them. All social sector indicators according to the latest surveys show significant improvements. The elected representatives in the second term have come forth with new mandates. They have seen the performance of the first term of

local governments and have learnt from their experiences. It is believed that their achievements will be much more. Pakistan has empowered the citizens and the local governments by facing upfront all the challenges and making fundamental changes in the colonial system of governance.

3. LOCAL GOVERNMENT SYSTEM, 2001

The blue print of the current local government system in Pakistan was announced on 23rd March, 2000. Based on the feedback received from the public and other stakeholders, the Local Government Plan was finalized, which was approved and announced on 14th August, 2000.

NRB, through an intensive consultative process with all the stakeholders in the Federal and Provincial Governments, developed the draft Local Government (Model) Ordinance. The Ordinance was promulgated by the four Provincial Governments on 14th August, 2001 as a provincial legislation.

The entire decentralization process is based on the concept of subsidiarity. The system has been designed to ensure that the genuine interests of the people are served and their rights safeguarded. Devolution in Pakistan is based on the following empowerment targets named '5Ds':-

Devolution of Political Power

It seeks to place the peoples representatives in leadership roles, which is to emerge through an election process. The local government system places the traditionally underprivileged and the down trodden in power by revolutionizing the levels of representation of women, peasants and workers, and minorities at the lowest tier of local government. Power vested in the elected representatives is to be utilized to motivate people and effect change.

No power, authority, function, or resource is to be taken from a lower level by a higher level without the consent of the lower level concerned. This protective measure against re-centralization applies to all levels.

Decentralization of Administrative Authority

Each successive higher echelon of authority tends to centralize the executive authority of the lower echelon. This generally results in the concentration of politico-administrative authority in the hands of the highest echelons. Centralization makes governments top-heavy and unresponsive. With the centralization of administrative authority at the provincial and federal levels, the people were forced to travel to provincial and federal capitals to seek solutions of their problems, whereas in an overwhelming majority of cases, their problems should have been attended to at the local level.

As a part of the strategy for empowerment, administrative authority to take decisions on matters which can be decided at the local level have been pushed down to the local governments. The goal of the local government system is to address problems of the people within the district.

De-concentration of Management Functions

While decentralization connotes bringing the decision-making authority down the ladder along the vertical plane, the de-concentration of management functions means the distribution of administrative functions along the horizontal plane to reduce the concentration of authority. In the previous administrative set up the Deputy Commissioner's office combined three major functions: co-ordination, magisterial, and revenue collection. He exercised his powers under many of the statutes. As Deputy Commissioner, he was the agent of the Government and was nominally responsible for co-ordination of all departments (although in reality the influence of the provincial line departments was more predominant in the district offices). As Collector, he was an appellate authority for revenue matters. As District Magistrate he held court, dispensed justice and had an oversight role over Police.

The absence of an effective checks and balances system placed the people, and especially the poor and the powerless, at the mercy of the government officials, over whom the people had no control whatsoever, and against whose actions they had little possibility for redressal of grievance. It was not efficient to conduct governmental business by overloading certain officials with far more functions than they could possibly carry out.

Deconcentration achieved through the local government system aims at distributing functions so as to strengthen checks and balances and promote efficiencies in the system. It also seeks a more rational and efficient distribution of functions between offices and officials in order to improve attention to the people and the services delivered.

Diffusion of the Power-Authority Nexus

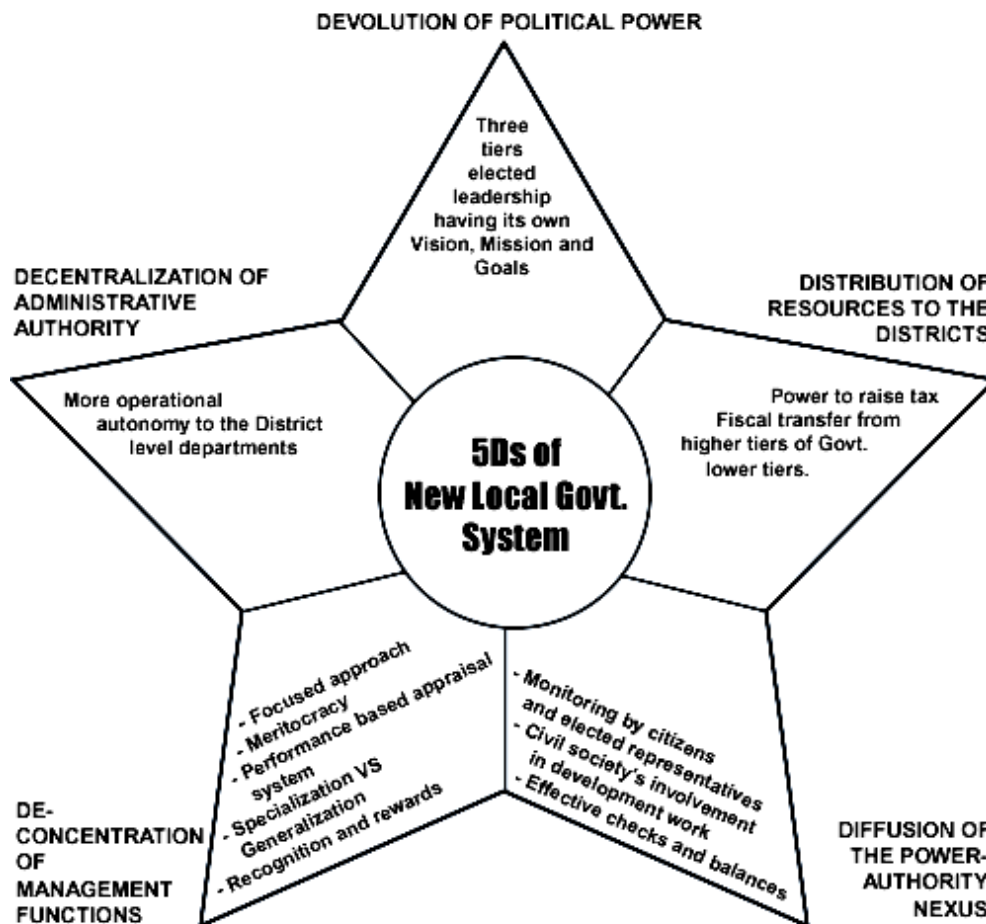
The process of devolution of power to the local governments may create a strong power-authority nexus at the local level, which could lead to elite capture.

Taking cognizance of these apprehensions, a number of risk-reduction mechanisms have been made part of the system. There are various checks in the form of LGC, PFC, Zila Mohtasib (Ombudsman); Public Safety Commissions; Monitoring Committees of the Councils at the Union, Tehsil, and District levels; and the Citizen Community Boards. If the aforementioned entities exercise their power and authority, no single actor will be able to dominate, and much less be able to acquire effective immunity from scrutiny in matters related to corruption or the abuse of power.

The existence of local governments with significant autonomy, power and authority also serves as a check on future abuse of power by the Provincial Government. The citizenry, in this empowered form, will act as check and balance.

Distribution of Resources

Real empowerment cannot be achieved without financial empowerment. The Councils now have the power to set tax rates in accordance with an approved list of taxes, in addition to provincial transfers and grants. The fiscal transfers from the provinces to the local governments have been made formula-based thus resulting in transparent, non-discretionary and equitable allocation of resources. The formula also includes equalisation criteria, through which poorer districts receive more resources than those with greater resources. It has been ensured that no higher level assigns functions, programmes or activities to a lower level, without adequate accompanying financing and capacity building.



Framework for Service Delivery

The LGO extends the Aberdeen Agenda further to define a comprehensive legal framework for service delivery. It includes the following fundamental principles:

1. Local governments are to function within the provincial framework.
2. Provincial governments are to ensure service delivery through policy, regulation, guidance and monitoring of outcomes.
3. Inspections, enquiries and dispute resolutions are to be carried out through the PLGC.
4. Each local government is to perform its assigned functions.
5. All projects/programmes relating to decentralized functions are to be executed through the local governments.
6. Erstwhile vertical programmes or parallel structures for execution of local government functions are to be restructured and brought in compliance with the LGO.
7. No local government function is to be performed by provincial government or any other Federal or Provincial agency or body.
8. Distribution of provincial resources is to be through the Provincial Finance Commission.
9. The share (salary, non-salary, 2.5 percent GST and development) of each local government is to be transferred directly to the account of the respective local government as a line transfer.
10. Local governments to exercise full powers to take administrative and financial decisions relating to their functions.
11. Nazim is the executive head of local government administration.
12. The respective council is to approve each development scheme relating to its function.
13. There is to be no limit on technical sanctions and no restrictions on incurring expenditure by a local government.
14. Local councils to notify their own bye-laws relating to delegation of financial and administrative powers.
15. There is to be only one Budget and Development Committee, headed by the Nazim, in a district.
16. Each local government will have its own District Service and shall have control over its employees.

17. The Provincial Government, NGOs and Civil Society Organizations are to assist in developing the capacity of local governments and to facilitate the local governments in improving service delivery.
18. 25% of the development budget of a local government is to be reserved for the schemes of the Citizen Community Boards (CCBs).
19. The CCBs mechanism is to be used for integrating the citizens with the development process.
20. Enforcement of local and special laws special in LGO is the responsibility of local governments.

The above measures serve as a framework for devolved service delivery, which has been legalized through the LGO to serve as the vehicle for devolved development. Planning and implementation agencies at all levels use the framework for achieving the national, provincial and local level development goals. The local government system has led to the following improvements:-

1. Empowerment of the citizens through elected representatives at all levels of local government.
2. Empowerment of women, Peasant/workers and minorities through representations in the Councils.
3. Improved service delivery and Good Governance through decentralization.
4. Transparent, predictable and equitable mechanism for transfer of funds through the PFCs.
5. Formula based resource allocations ensuring pro-poor and non-discretionary transfer of funds.
6. Improved planning, budgeting and financial management at local levels due to stability in fiscal transfers.
7. Improved accountability of resources, as share of each local government is clearly indicated in the awards.
8. Greater ownership by local governments of funds transferred in accordance with the PFC award.
9. Improved resource generation through empowerment of local governments to levy taxes.

10. Increase in own source revenue of local governments due to better collection and greater public accountability.
11. Base of Urban Immovable Property Tax widened by declaring the complete Tehsil as a rating area and collection streamlined.
12. Development plans and budget being prepared by local governments in accordance with local priorities.
13. Improved service delivery through decentralization of financial powers and decision-making.
14. Improved planning and budgeting through the concept of Draft Budget by providing greater time for discussion and review.
15. Reporting of gender disaggregated data leading to gender based budgeting and planning.
16. Reduction in the number of schemes in the Provincial ADP through decentralization of offices.
17. Early completion of schemes mostly within the fiscal year at the local level leading to better access to services.
18. Better coordination through integration of the development and current under a single Budget and Development Committee with the Nazim as the head of the Committee.
19. Better allocation and utilization of funds due to involvement of elected representatives, councils and the community in all aspect of identification and planning of projects.
20. Ensuring empowerment of people through CCBs by reserving of 25 per cent of the development budget to be spent through the CCBs.
21. District wide vision for integrated development and for realization of economic potential through the Zila Mushavirat Committees.
22. Ensuring uniformity by bringing the financial management system of the local governments into the mainstream.
23. Integration of accounts from the Union to the national level through a common chart of accounts to provide a complete picture.
24. Scrutiny of accounts by the Accounts Committees of the Councils on monthly basis.

25. Ensuring Good Governance through provision of special audit, annual inspections etc.
26. Increased transparency by making all local government activities and information open to public.
27. PLGC established to check irregularities and financial performance and to resolve disputes.
28. Provision of Justice through the Musalehat Anjumans at the Union level.

4. LOCAL GOVERNMENT SYSTEM & THE ABERDEEN AGENDA

4.1 CONSTITUTIONAL & LEGAL RECOGNITION FOR LOCAL DEMOCRACY

Local government should be recognized as a sphere of government. Legal and constitutional recognition are important to protect the fundamental principle of local democracy. Respect for this protection ensures institutional security for local democracy.

The local governments in Pakistan are embodied in the Constitution. Articles 32 and 140-A of the Constitution of the Islamic Republic of Pakistan, 1973 provide as under:-

“32. **Promotion of local Government institutions.**- The State shall encourage local Government institutions composed of elected representatives of the areas concerned and in such institutions special representation will be given to peasants, workers and women.

140-A. **Local Government.**- 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 government.”.

In order to strengthen the local government system, the Provincial Local Government Ordinances, 2001 have been included in the Sixth Schedule of the Constitution for a period of six years and these ordinances can only be amended with the previous sanction of the President after consultation with the Prime Minister in accordance with the provisions of Article 268 (2) of the Constitution.

Local governments in Pakistan function within the framework provided by the Provincial Local Government Ordinance, 2001. Each Provincial Government has promulgated the legislation. The main local government legislation is the Local Government Ordinance (LGO) enacted by each province in August 2001:

1. Sindh Local Government Ordinance, 2001
2. Balochistan Local Government Ordinance, 2001
3. North West Frontier Province Local Government Ordinance, 2001
4. Punjab Local Government Ordinance, 2001.

The local governments in Pakistan are part of the legal system of the country. Two elections have been held under the new system introduced in 2001. People have appreciated the system, which is reflected their enhanced participation in the recent local elections held in 2005. There have been some amendments since the legislation was implemented to meet the changing requirements. This has further strengthened the legal framework as amendments were carried out with the consensus of the provincial governments.

The National Reconstruction Bureau (NRB) is responsible for processing the amendments proposed by the federal and provincial governments.

4.2 POLITICAL FREEDOM TO ELECT LOCAL REPRESENTATIVES

Citizens should be able to elect their local representatives in conditions of political freedom. It is important for local representatives to reflect the views and needs of the community they serve. We believe that this is best achieved through regular/timely local elections, which are both open and inclusive.

Whatever the means or processes of local democracy, the results should reflect the wishes of the electorate.

Democratic and Political Structures in Local Government

The Local Government Ordinance, 2001 has devolved political power and decentralized administrative and financial authority to accountable local governments for good governance, effective delivery of services and transparent decision-making through institutionalized participation of the people at the grassroots level. In all, 6629 (District/City District Governments, Tehsil/Towns Municipal Administrations and Union Administrations) are functioning in the four provinces within the provincial framework. The province-wise position of local areas under the Local Government Ordinances 2001 is given in the table below:

Local area Province	District	City District	Tehsil	Town in City District	Union
Punjab	30	5	106	38	3464
Sindh	22	1	101	18	1108
NWFP	23	1	50	4	986
Balochistan	27	1	75	2	567
Total	102	8	332	62	6125

The significant change through the Local Government System is that elected leaders are now responsible and accountable for service provision at local levels and the local councils monitor their performance. The four provinces of Pakistan have three levels of local government: district (zila), tehsil (taluka)/town in a city district and union. The local governments completed their first term on 30th June 2005. Electoral process for the second term of local governments was completed by December 2005. Holding of elections on time is a clear indication of the support of the government and the acceptance of the system by the people.

To give credence to the local government elections these are conducted by the Chief Election Commissioner in pursuance of the Local Government Elections Order, 2000 (Order No.8 of 2000). He is appointed by the President under Article 213 of the Constitution of Pakistan. The electoral rolls for the local government elections are prepared by the Chief Election Commissioner.

The elections to the local governments are held every four year so as to enable their installation on the 14th day of August of the year in which elections are held. However, to ensure continuity a local government, notwithstanding the expiry of its term of office, is to continue to hold office until the successor local government assumes office.

Local government elections are held on non-party basis. Since the elections are held on non-party basis the candidates cannot use, directly or indirectly, for his election the platform, flag, symbol, affiliation and financial or material resources or support of a political, religious, ethnic or sectarian party, formation or organization.

Members of a Union Council, including Union Nazim and Naib Union Nazim are elected through direct elections based on adult franchise with voters age set at 18 years and above and on the basis of joint electorate.

The electoral college for the election of Zila Nazim and reserved seats of women, peasants and workers, and minorities in the Zila Council are all the members of Union Councils in the District, including Union Nazims and Naib Union Nazims.

The electoral college for the election of a Tehsil Nazim, Town Nazim and reserved seats of women, peasants and workers, and minorities in the Tehsil Council and Town Council are all the members of the Union Councils in the Tehsil or, as the case may be, Town, including Union Nazims and Naib Union Nazims.

The electoral ward for the election of a Zila Nazim is a District, for a Tehsil Nazim, a Tehsil, for a Town Nazim, a Town, and for a Union Nazim and a Naib Union Nazim, a Union. The electoral ward for the election of a Naib Zila Nazim, Naib Tehsil Nazim and Naib Town Nazim is the respective Council. The Union is a multi-member ward for election of members of a Union Council.

Regular and Timely Elections

The local government elections for the first term were held in phases in the year 2001 and local governments were installed on 14th August, 2001 at all levels. The elections for the 2nd term of local governments were conducted by the Chief Election Commissioner in three phases:

- (a) ***Union Level Elections.*** Union Nazims, Naib Union Nazims and members of Union Councils were elected through direct elections based on adult franchise and on the basis of joint electorate in two phases in all Provinces on the following polling dates:
 - i) Phase – I In 54 Districts on 18th August, 2005.
 - ii) Phase – II In 56 Districts on 25th August, 2005.

- (b) ***District/Tehsil/Taluka/Town Level Elections.*** Zila Nazims, Tehsil and Town Nazims, women, peasants and workers and minorities members against reserved seats in the Zila Councils and Tehsil/Town Councils were elected on 6th October, 2005 by their respective electoral college comprising members of Union Councils including Union Nazims and Naib Union Nazims in all districts.
- (c) Elections of Naib Zila Nazim and Naib Tehsil Nazim were completed by December, 2005.

Category-wise Number of Seats in Union Level Local Government Election 2005:

Number of Seats in Zila Councils(in addition to Union Nazims)

Provinces	Zila Councils	Zila Councils Membership			Total
		Women	P&W	Minorities	
		33%	5%	5%	
Punjab	35	1151	172	172	1495
Sindh	23	371	57	57	487
NWFP	24	326	48	48	422
Balochistan	28	193	34	34	261
Total	110	2041	311	311	2665

Number of Seats in Tehsils/Towns Councils(in addition to Naib Union Nazims)

Provinces	Tehsils/Towns Council	Tehsil/Town Councils Membership			Total
		Women	P&W	Minorities	
		33%	5%	5%	
Punjab	144	1151	192	192	1535
Sindh	119	371	119	119	611
NWFP	54	326	65	65	456
Balochistan	77	193	79	79	351
Total	394	2041	455	455	2953

Number of Seats in Union Councils

Provinces	No of UCs	Union Councils Membership							Total
		Union Nazims	Naib Union Nazims	MG	MG (W)	P&W	P&W (W)	Minorities	
Punjab	3464	3464	3464	13846	6928	6928	6928	3474	45032
Sindh	1108	1108	1108	4299	2183	2216	2216	1274	14404
NWFP	986	986	986	3944	1972	1972	1972	986	12818
Balochistan	567	567	567	2268	1134	1134	1134	567	7371
Total	6125	6125	6125	24357	12217	12250	12250	6301	79625

Nominations showed substantial increase with the maximum increase in the category of Peasants and Workers followed by Muslim General, Muslim General (Women) and Peasants & Workers (Women). Number of candidates who returned unopposed has reduced. The number of vacant seats in all categories has considerably reduced in all the provinces. The overall turnout in Union elections was 47.5%. The enhanced participation of the people in the Local Government Elections, 2005 was indicative of their growing interest / confidence in the local government system.

The elections in the country have been extremely peaceful signifying the confidence of the people in the process of election. The elections have been held on time indicating a strong commitment of the Governments towards consolidation of the local government system.

Qualifications of Candidates

The election laws lay down the conditions for qualification of the candidates. A person will qualify to be elected or to hold an elective office or membership of a local government, if he is enrolled as a voter in the electoral rolls of the relevant ward and has academic qualifications of not less than matriculation or secondary school certificate or equivalent from a recognized institution, for contesting the election of a Nazim or a Naib Nazim.

The candidates cannot be in the service of the Federal, a provincial or a local government or, any statutory body or a body which is controlled by any such government or, in which any of such government has a controlling share or interest, except the holders of elected public office and part-time officials remunerated either by salary or fee; provided that in case of a person who has resigned or retired from such service, a period of not less than six months has elapsed since his retirement. In addition the candidate must not have been dismissed, removed or compulsorily retired from public service on the grounds of moral turpitude.

To discourage corrupt elements the law requires that a candidate does not possess assets which are inconsistent with his declaration of assets or justifiable means, whether held in his own name or of the dependents or any other person or corporate body in whose name assets are held in trust or under any other formal or informal arrangement whereby the de-facto control of such assets including their sale, transfer or pecuniary interest, is retained by him.

In developing countries default on bank loans are quite common. The election law debars a candidate who has been adjudged a willful defaulter of any tax or other financial dues owed to the federal, a provincial, or a local government or any financial institution, including utility bills outstanding for six months or more.

To exclude people with criminal record, the law disqualifies a person if has been convicted by a court of competent jurisdiction on a charge of corrupt practice involving moral turpitude or misuse of power or authority under any law. In addition the candidate should not have been sentenced to imprisonment for more than three months for an offence under any law and, a period of not less than five years has elapsed since his release.

Money may play an important role in the outcomes. The election law requires the candidates to file the required return of election expenses. Candidates convicted for exceeding the limits of election expenses prescribed under the electoral laws are disqualified.

Post election performance of the elected representatives is also covered by the election law. The elected representatives can be disqualified if he absents himself without reasonable cause from three consecutive meetings of the council of which he is a member unless the absence was necessitated by a national emergency or force majeure.

Properly trained councilors and Nazims are critical for ensure effective functioning of local governments. The law requires that all members are bound to attend training course. If they fail to attend they are liable to be disqualified.

Ensuring Political Freedom

Free and fair elections are a prerequisite for an effective democracy. The basis of democracy lies in people being able to select their own representatives without fear. The LGO provides an elaborate mechanism for holding elections in order to ensure that people are able to exercise their right to vote in the most transparent manner.

To ensure that people make informed decisions, the election law requires that the candidates for the seat of a Zila Nazim, Tehsil Nazim and Town Nazim will, before the election to such office, make public a manifesto containing the policies and programmes they propose to pursue and implement, if elected. Thus the citizens get an opportunity to review the policies and programmes of the candidates before casting their votes. It could thus be deduced that the elected representatives truly represent the aspirations of the people whom they represent.

The penalty for violation of the provisions of the local government election law are quite severe. If any candidate is found by the Chief Election Commissioner to have contravened the provisions he will stand disqualified from being a candidate for election to any office of the local government for a period of four years.

A person guilty of **bribery**, **personating**, or **undue influence** during the election process is punishable for an offence of corrupt practice with imprisonment for a term which may extend to three years, or with fine which may extend to fifteen thousand rupees, or with both. These terms have been fully defined or explained in the law.

Under section 166 of the LGO a person is guilty of bribery, if he, directly or indirectly, by himself or by any other person on his behalf-

- (a) receives, agrees or contracts for any gratification for voting or refraining from voting or for being or refraining from being a candidate at, or withdrawing or retiring from, an election;

- (b) gives, offers or promises any gratification to any person for the purpose of -
 - (i) inducing a person to be or to refrain from being a candidate at an election; or
 - (ii) inducing a voter to vote or refrain from voting at any election; or
 - (iii) inducing a candidate to withdraw or retire from an election; or
 - (iv) rewarding a person for having been or for having refrained from being a candidate at an election; or
 - (v) rewarding a voter for having voted or refrained from voting at an election; or
 - (vi) rewarding a candidate for having withdrawn or retired from an election.

The word ‘gratification’ has been further explained. It includes a gratification in money or estimable in money and all forms of entertainment or employment for reward.

A person is guilty of **personating**, if he votes or applies for a ballot paper for voting as some other person whether that other person is living or dead or fictitious.

A person is guilty of **undue influence**, if he-

- (a) in order to compel any person to vote, refrain from voting, or to induce or compel any person to withdraw his candidature at an election, directly or indirectly, by himself or by any other person on his behalf-
 - i) makes or threatens to make use of any force, violence or restraint;
 - ii) inflicts or threatens to inflict any injury, damage, harm or loss; or
 - iii) uses any official influence or Governmental patronage; or
- (b) on account of any person having voted or refrained from voting, or having withdrawn his candidature, does any of the acts specified in clause (a); or
- (c) by abduction, duress or any fraudulent device or contrivance-
 - i) impedes or prevents the free exercise of the franchise by a voter; or
 - ii) compels, induces or prevails upon any voter to refrain from voting or compels any voter to vote.

A person is guilty of **illegal practice** punishable with fine which may extend to two thousand rupees, if he-

- (a) obtains or procures, or attempts to obtain or procure, the assistance of any officer or official of the Federal Government, a Provincial Government or a local government or authority to further or hinder the election of a candidate;
- (b) votes or applies for a ballot paper for voting at an election knowing that he is not qualified for voting or is disqualified from voting;
- (c) votes or applies for a ballot paper for voting more than once at any polling station;
- (d) removes a ballot paper or a ballot box from a polling station or destroys, damages or tampers with the ballot-box used at a polling station;
- (e) knowingly induces or procures any person to do any of the aforesaid acts; or
- (f) fails to provide statement of election expenses as required under this Ordinance;
- (g) makes or publishes a false statement-
 - i) concerning the personal character of a candidate or his relation calculated to adversely affect the election of such candidate or, for the purpose of promoting or procuring the election of another candidate, unless he proves that he had reasonable ground for believing, and did believe, the statement to be true;
 - ii) relating to the symbol of a candidate whether or not such symbol has been allocated to such candidate; or
 - iii) regarding the withdrawal of a candidate;
- (h) knowingly, in order to support or oppose a candidate, lets, lends, employs, hires, borrows or uses any vehicle or vessel for the purpose of conveying voters to or from the polling station, except when a person conveys himself or any member of the household to which he belongs, to or from the polling station; or
- (i) causes or attempts to cause any person present and waiting to vote at the polling station to depart without voting.

Canvassing on polling day is prohibited. A person is guilty of an offence punishable with fine which may extend to two thousand rupees, if he, on the polling day in connection with the election-

- (a) convenes, calls or organizes within a ward any meeting; or

- (b) within a radius of two hundred meters of the polling station-
 - i) canvasses for votes;
 - ii) solicits vote of any voter;
 - iii) persuades any voter not to vote at the election or for a particular candidate;
or
 - iv) exhibits, except with the permission of the returning officer and at a place reserved for the candidate or his polling agent beyond the radius of one hundred meters of the polling station, any notice, sign, banner or flag designed to encourage the voters to vote, or discourage the voters from voting, for any contesting candidate.

Safeguards for the voters against disorderly conduct near polling station is also provided in the law. A person is guilty of an offence punishable with imprisonment for a term, which may extend to three months, or with fine which may extend to three thousand rupees, or with both, if he-

- (a) uses, in such manner as to be audible within the polling station any gramophone, megaphone, loudspeaker or other apparatus for reproducing or amplifying sounds;
or
- (b) persistently shouts in such manner as to be audible within the polling station; or
- (c) does any act which-
 - i) disturbs or causes annoyance to any voter visiting a polling station for the purpose of voting; or
 - ii) interferes with the performance of the duty of a presiding officer, polling officer or any other person performing any duty at a polling station; or
- d) abets the doing of any of the aforesaid acts.

Tampering with papers is a serious offence under the election law. A person is guilty of an offence punishable with imprisonment for a term which may extend to six months, or with fine which may extend to two thousand rupees, or with both, if he;

- (a) fraudulently defaces or destroys any nomination paper or ballot paper;

- (b) fraudulently takes out of the polling station any ballot paper or puts into any ballot box any ballot paper other than the ballot paper he is authorized under the rules to put in;
- (c) without due authority-
 - i) supplies any ballot paper to any person;
 - ii) destroys, takes, opens or otherwise interferes with any ballot box or packet or ballot papers in use for the purpose of election; or
 - iii) breaks any seal affixed in accordance with the provisions of the rules; or
- (d) causes any delay or interruption in the beginning, conduct or completion of the procedure required to be immediately carried out on the close of the poll; or
- (e) fraudulently or without due authority attempts to do any of the aforesaid acts.

Interference with the secrecy of voting could seriously affect the rights of the voters. A person is guilty of an offence punishable with imprisonment which may extend to six months, or with fine which may extend to two thousand rupees, or with both, if he:

- (a) interferes or attempts to interfere with a voter when he records his vote;
- (b) in any manner obtains or attempts to obtain, in a polling station, information as to the candidate for whom a voter in that station is about to vote or has voted; or
- (c) communicates at any time any information obtained in a polling station as to the candidate for whom a voter in that station is about to vote or has voted.

Impartial conduct of election officials is critical for free and fair elections. A presiding officer, polling officer or any other officer or clerk performing a duty in connection with an election, or any member of a police force, is guilty of an offence punishable with imprisonment for a term which may extend to six months, or with fine which may extend to five thousand rupees, or with both, if he, during the conduct or management of an election or maintenance of order at the polling station:

- (a) persuades any person to give his vote;
- (b) dissuades any person from giving his vote;
- (c) influences in any manner the voting of any person;

- (d) does any other act calculated to further or hinder the election of a candidate;
- (e) fails to maintain or aid in maintaining the secrecy of voting;
- (f) communicates, except for any purpose authorised by any law, to any person before the poll is closed any information as to the name or number on the electoral roll of any voter who has or has not applied for a ballot paper, or has or has not voted at a polling station; and
- (g) communicates any information obtained at the counting of votes as to the candidate for whom any vote is given by any particular ballot paper.

The LGO thoroughly reflects the second item of the Aberdeen Agenda i.e. political freedom to elect local representatives. The LGO provides a complete Chapter on local government elections covering all aspects of the election process. As can be seen from the analysis presented in this section the focus is on Citizens being able to elect their local representatives in conditions of political freedom. The extensive elections campaigns by the candidates coupled with free and fair elections ensure that the local representatives are truly representatives of the community they serve. It is correct that the wishes of the people can be best achieved through regular/timely local elections, which are both open and inclusive.

4.3 PARTNERSHIP & CO-OPERATION BETWEEN SPHERES OF GOVERNMENT

There should be cooperation and partnership among local, regional/provincial and national spheres of government. Effective democracy demands respect between the different spheres of government and recognizes the defined roles they play in serving their citizens. It is important to ensure that there is regular dialogue and cooperation between the different spheres. Strong intergovernmental relations will promote greater alignment of national, regional and local priorities. Significant decentralization requires cooperation and strengthened coordination between the different spheres of government.

Provincial and Local Government Cooperation

In Pakistan the local governments operate within the provincial framework. The Chief Executive of the Province has the overall responsibility for the Province. They adhere to the Federal and Provincial laws. In performance of their functions, the local governments are not to impede or prejudice the exercise of the executive authority of the Government.

The provincial Governments have decentralized its offices to the local governments. The word “decentralize” has been defined in the law. It means conferment by the Government under the LGO of its administrative and financial authority for the operation, functioning and management of specified offices of the Provincial Government to the local governments.

The LGO provides an enabling framework for intergovernmental cooperation. The Government may require a District Government to perform any specific task, which requires funds beyond its budgetary provisions. However, in such cases the Government would provide the necessary resources. On the other hand the District Government may, with the consent of the Government, entrust any of its functions to the Provincial Government. The Government may, with the agreement of the District Government, decentralize any of its offices other than the offices already decentralized to the District Government or entrust any of its functions to the District Government. The Government is required to provide technical and administrative support and fiscal resources to local governments.

Intra district coordination and cooperation is also fully supported under the LGO. The Tehsil Council may, with the consent of the Zila Council or adjoining Tehsil Councils or Union Councils, set up joint committees of the Councils for any purpose in which such Councils may be jointly interested and may delegate to such joint committees any power which may be exercised by them, including the power to make bye-laws for their functioning. Further details are provided below.

Section 16 of the LGO defines the authority of the District Government. It comprises the operation, management and control of offices of the departments, which have been decentralized to it. The District Government exercises such authority within the district in accordance with the general policy of the Government. The District Government is responsible to the people and the

Government for improvement of governance and delivery of services within the ambit of the authority decentralized to it under this Ordinance.

The Zila Nazim is the head of the District Government and performs such functions and exercise such powers as have been assigned to him under the Ordinance. He is to ensure that the business of the District Government is carried out in accordance with the provisions of this Ordinance and other laws for the time being in force.

In the case of Tehsils and Towns the administrative and financial management of the offices of Local Government and Rural Development Department, Housing, Urban Development and Public Health Engineering Department which were providing services at the regional, zonal, circle, divisional, district and tehsil levels were entrusted to respective Tehsil Municipal Administration or Town Municipal Administration, alongwith the employees working in such offices.

Coordination between the devolved and un-devolved offices is critical for effective service delivery. The Zila Nazim is required to nominate a Deputy District Officer at Tehsil level for the purpose of liaison between the offices of District Government, Provincial Government, Federal Government and other local governments for emergencies, natural calamities and extraordinary situations.

Coordination by Local Government Commission

One of the functions of the Local government Commission (LGC) is to encourage coordination and cooperation amongst the various levels of governments. The important functions of the Commission in this respect are to-

- (a) resolve disputes between any Department of the Government and District Government or between two District Governments:
- (b) organize consultative planning meetings of National and Provincial legislators, Zila, Tehsil or Town Nazims of a district on a periodic basis to provide their participation in development activities of the district with regard to-
 - (i) the consultative process of the Annual Development Plan of the district;
 - (ii) formulating procedure for utilization of the Legislators' development grant;
 - (iii) assessing implementation of decision of these meetings; and
 - (iv) carrying out review of development schemes; and

- (c) facilitate the performance of Provincial departmental functions of the decentralized offices relating to policy analysis, oversight, checks and balances, capacity building and coordination through the Commission.

Regulatory Units (See section 4.8 for details) are being established under the LGC for such functions.

Intra District Cooperation

Mutual assignment of functions

Although the various levels of governments have been assigned their respective expenditure and revenue functions by the LGO there is an option available to share resources amongst themselves through mutual agreement.

Zila Mushavirat Committee

Under **section 140** a Zila Mushavirat Committee is to be constituted in each district consisting of the Zila Nazim, Naib Zila Nazim and all Tehsil Nazims and Town Nazims in the district. The functions of the Zila Mushavirat Committee are to-

- (a) crystallise vision for integrated development of the district;
- (b) prioritise and co-ordinate inter-tehsil development plans;
- (c) resolve intra-district disputes;
- (d) muster resources for crisis management; and
- (e) set directions for realizing economic potential of the district.

District Governments

A district government may assign any of its functions to a Tehsil Municipal Administration or Union Administration, on such terms and conditions as may mutually be agreed. However, the primary responsibility for discharge of such function would continue to vest with the District Government. No function or responsibility is to be transferred without allocation of corresponding resources and funds.

The LGO through **section 28** empowers a DCO to call for information and reports from local governments in the district when required by the Provincial Government or the District Government through the Tehsil Municipal Officer.

***TMA*s**

A Tehsil Municipal Administration may on such terms and conditions as are mutually agreed, transfer its functions or responsibilities with regard to providing municipal services to the Union Administration or Village Council. However, no function or responsibility is transferred without allocation of corresponding resources and funds. The responsibility to regulate and monitor such functions and services remains with the Tehsil Municipal Administration.

TMA by an agreement and on such terms and conditions as may be mutually agreed, perform any function of the District Government.

TMA may with the approval of the Government and concerned regulatory authorities of the Federal Government and Provincial Government set-up a corporate body to perform any of its functions, singly or jointly with other public or private bodies. The responsibility for discharge of such functions continues to vest with the Tehsil Municipal Administration.

Union Administrations

A Union may maintain the lighting of streets, public ways and public places through mutual agreement with the Tehsil Municipal Administration.

The Union Administration may, subject to such terms and conditions as may be mutually agreed, assign any of its functions to Village Council. However, the responsibility for discharge of such functions continues to vest with the Union Administration and no function or responsibility is transferred without allocation of corresponding resources and funds.

The District Government or, as the case may be, the Tehsil Municipal Administration may entrust any of its functions to the Union Administration with mutual agreement provided that resources required for carrying out such functions are made available to the Union Administration.

Village and Neighbourhood Councils

Section 96 (3) allows a Village Council or Neighbourhood Council, subject to such terms and conditions as may be mutually agreed, to entrust any of its functions to the Union Administration. The responsibility for discharge of such functions continues to vest with the Village Council or Neighbourhood Council. No function or responsibility is transferred without allocation of corresponding resources and funds.

4.4 PRINCIPLE OF SUBSIDIARITY AND APPROPRIATE POWERS FOR LOCAL GOVERNMENT

Defined legislative framework: Local democracy should ensure local government has appropriate powers in accordance with the principle of subsidiarity. Democratic local government, with clearly defined powers, serves as the means by which the community can shape their livelihoods. Effective devolution enables the views of the local community to be expressed and their views taken into account in decisions implemented to improve the quality of life of all citizens locally.

The local government system is based on the principle of subsidiarity. The expenditure and revenue assignment has been allocated after extensive discussions with the stakeholders. The LGO provides clear demarcation of functions amongst the following levels of Governments:

- (a) Provincial Government (Non-devolved functions)
- (b) Local Government functions (devolved functions)
 - i) District Governments
 - ii) City District Governments
 - iii) Tehsil Municipal Administrations
 - iv) Town Municipal Administrations (in City Districts)
 - v) Union Administrations.

Local Government Structures and Staffing

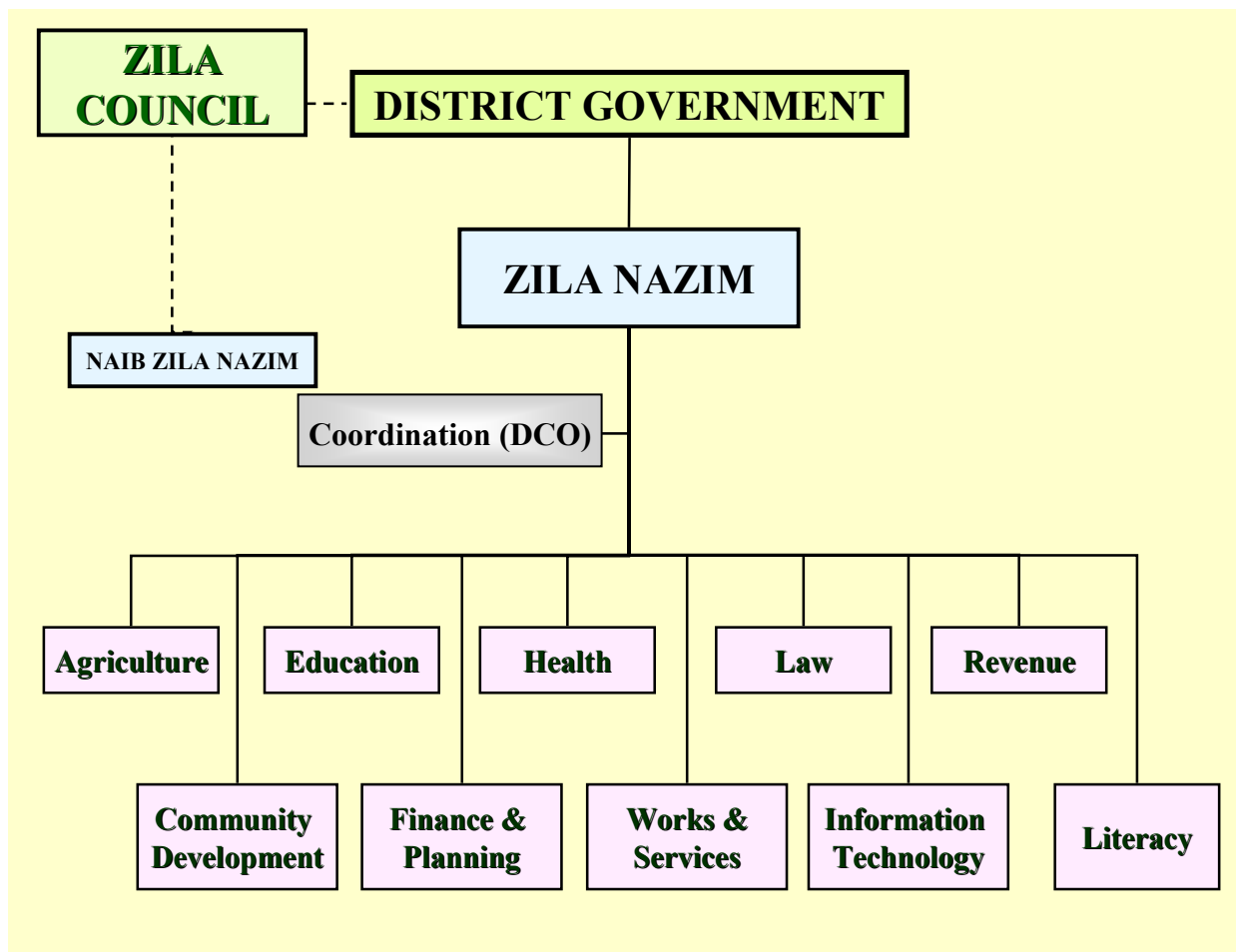
District Government

District establishments including the ones in the city districts are composed of federal and provincial civil servants, the employees of defunct zila councils and staff of all group of offices devolved to the district government. The Zila Nazim is head of the District Government and the District Coordination Officer (DCO) is coordinating head of the District Administration. The provincial governments are to create a District Service comprising all posts of local governments grouped into district and tehsil cadres for decentralized local governments functions and groups of offices with adequate monetary benefits and incentives for promotion and performance. The creation of the service is in process.

At district level there are up to 11 groups of district offices each headed by an Executive District Officer (EDO) reporting to the District Coordination Officer. District Officers (DOs) head sub-offices at district headquarters, with Deputy District Officers (DDOs) in charge of

specific functions located in the tehsils. In addition to overall coordination responsibilities of the various Groups of Offices the DCO has the responsibility for human resource management and civil defence. Each of the following Group of Office is headed by an EDO:

1. Agriculture;
2. Community Development;
3. Coordination;
4. Education;
5. Finance and Planning;
6. Health;
7. Information Technology;
8. Law;
9. Literacy;
10. Revenue; and
11. Works and Services.



Functions and Powers of Zila Nazim

Section 18 of the Ordinance defines the functions and powers of the Zila Nazim, which are to-

- (a) provide vision for the district-wide development, leadership and direction for efficient functioning of the District Government;
- (b) develop with the assistance of the District Administration strategies and timeframe for accomplishment of the relevant goals approved by the Zila Council;
- (c) perform functions relating to law and order in the district;
- (d) ensure implementation of the functions decentralised to the District Government;
- (e) oversee formulation and execution of the annual development plan, delivery of services and functioning of the District Government;
- (f) present proposal to the Zila Council for approval of budget for District Government, Zila Council and intra-district fiscal transfers;
- (g) maintain administrative and financial discipline in the District Government;
- (h) present tax proposals to the Zila Council;
- (i) present report on the performance of the District Government in person to the Zila Council at least twice a year;
- (j) preside over the meetings of the Zila Mushavirat Committee;
- (k) take charge, organise and prepare for relief activities in disasters or natural calamities;
- (l) authorise officers of the District Government to sign documents on its behalf;
- (m) initiate inspections of Tehsil Municipal Administration, Town Municipal Administration and Union Administration in the district pursuant to section 135;
- (n) establish and supervise the working of the Internal Audit Office;
- (o) issue executive orders to the District Coordination Officer and Executive District Officers for discharge of the functions decentralised to the District Government;
- (p) represent District Government on public and ceremonial occasions; and

- (q) perform any other function as may be assigned to him by the Government.

In addition to the above the Zila Nazim is also responsible for law and order in the district.

Functions and Powers of Zila Council

The functions and powers of a **Zila Council** are provided in the LGO are to-

- (a) approve bye-laws proposed by the District Government under this Ordinance;
- (b) approve taxes proposed by the District Government on the subjects specified in Part-I of the Second Schedule or in case of a City District, on subjects specified in part-II or the Second Schedule;
- (c) approve long term and short term development plans, annual and supplementary budgetary proposals of the District Government and, where required, intra-district fiscal transfers;
- (d) approve annual budget of the Zila Council;
- (e) elect committees of the Zila Council for monitoring the performance of the District Government;
- (f) ensure the Monitoring Committees of the Zila Council perform their functions in a non-intrusive manner without interfering in the day to day working of the relevant offices of the District Government and do not assume a command and control role;
- (g) review the Monitoring Committees' quarterly reports on the performance of the District Government;
- (h) elect a Code of Conduct Committee which shall be responsible for enforcing the code of conduct and regulating the conduct of the members of the Zila Council;
- (i) elect an Insaf Committee which shall facilitate access of the people to the Member Inspection Team of the High Court for redressing their grievances;
- (j) elect a Sports and Culture Committee which shall promote sports and cultural events in the district and youth participation in healthy pursuits;
- (k) elect the members of the Zila Council for representation in the District Public Safety Commission;
- (l) elect a Zila Accounts Committee;

- (m) constitute Farm Produce Market Committee under the relevant law;
- (n) approve the proposals of the District Government for changes in the number of posts of officials and employees of the decentralised offices of District Administration and Tehsil Municipal Administration and Town Municipal Administration as part of the budget statement;
- (o) approve posts for the office staff of Zila Nazim and staff of Zila Council;
- (p) make recommendations to the District Government for enhancement of the care of disabled persons, paupers, aged, sick, persons of unsound mind, abandoned minors, juvenile delinquents, drug addicts, victims of child abuse, needy and disadvantaged persons;
- (q) authorise Zila Nazim, Naib Zila Nazim, Tehsil Nazim, Naib Tehsil Nazim, Town Nazim, Naib Town Nazim, Union Nazim, Naib Union Nazim and members of the Councils to receive honorarium, travelling and daily allowances from respective local funds. The honorarium and rates of travelling and daily allowances is fixed with the approval of the Government and any change thereof is applicable to the succeeding Nazims, Naib Nazims and members of the Councils. The Government shall accord approval within sixty days of receipt of proposals from a Zila Council failing which it shall be deemed to have been approved;
- (r) review the performance reports of the District Government presented by Zila Nazim;
- (s) review the audit reports of the Zila Accounts Committee;
- (t) review measures for flood relief, and storm water drainage; and
- (u) require the District Government to undertake measures for good governance and improvement in the delivery of services.

City District Government

The Provincial Government can declare a tehsil or tehsils with in one or more adjoining district as a city districts if-

- (a) the population of urban settlement therein or of proximate settlement exceeds one million people;
- (b) the economy thereof is largely oriented to commercial, industrial, and services sectors, and, according to the last preceding census, the labour force employed in such sectors or in non-agricultural sectors is more than sixty six percent; and

- (c) the existing administrative and municipal infrastructure therein have become inadequate for efficient service delivery and require integrated development and management.

At city district level, the arrangements also follow those in the normal districts with some modifications. City districts may, depending on economies of scale and the nature of their urban infrastructure vary the groups of offices and set up district municipal offices for the integrated development and management of a specified range of services, primarily those relating to the environment, public sanitation, housing, planning, and cultural matters.

Functions of Zila Council in a City District

In addition to the functions assigned to a Zila Council in a normal district, the Zila Council in a City District performs additional functions specified in **section 40** of the LGO to:-

- (a) approve master plans, zoning, land use plans, including classification and reclassification of land, environment control, urban design, urban renewal and ecological balances;
- (b) review implementation of rules and bye-laws governing land use, housing, markets, zoning, environment, roads, traffic, tax, infrastructure and public utilities;
- (c) approve proposals of the District Government for public transport and mass transit systems, construction of express ways, fly-overs, bridges, roads, under passes, and inter-town streets;
- (d) approve development schemes for beautification of areas along rivers beaches and sea sides; and
- (e) review development of integrated system of water reservoirs, water sources, treatment plants, drainage, liquid and solid waste disposal, sanitation and other municipal services.

In the case of a town in a City District, the Zila Council also performs the functions of approval of such macro municipal plans as may be notified by the City District Government.

Taxes Under the Purview of Zila Council

Fiscal autonomy is a critical part of devolution. Under the LGO the Councils have been provided powers to levy certain taxes. The Councils may increase, reduce, suspend, abolish or exempt the levy of any tax for such period as may be specified by it. The procedure for levying new taxes has been made transparent. No tax can be levied without inviting public objections. However, all taxes before being levied have to be vetted by the provincial Governments. The list of taxes for District, City District Tehsil, Town (in a City District) and Union levels is given in the Second Schedule, The taxes which are under purview of the Zila Council are as follows:

PART I Zila Council

1. Education tax.
2. Health tax.
3. Any other tax authorized by the Government.
4. Local rate on lands assessable to land revenue.
5. Fees in respect of educational and health facilities established or maintained by the District Government.
6. Fee for licenses or permits and penalties or fines for violations.
7. Fees for specific services rendered by a District Government.
8. Collection charges for recovery of tax on behalf of the Government, Tehsil Municipal Administration and Union Administrations.
9. Toll on roads, bridges, ferries within the limits of a District, other than national and provincial highways and roads.
10. Rent for land, buildings, equipment, machinery and vehicles.
11. Fee for major industrial exhibitions and other public events organized by the District Government

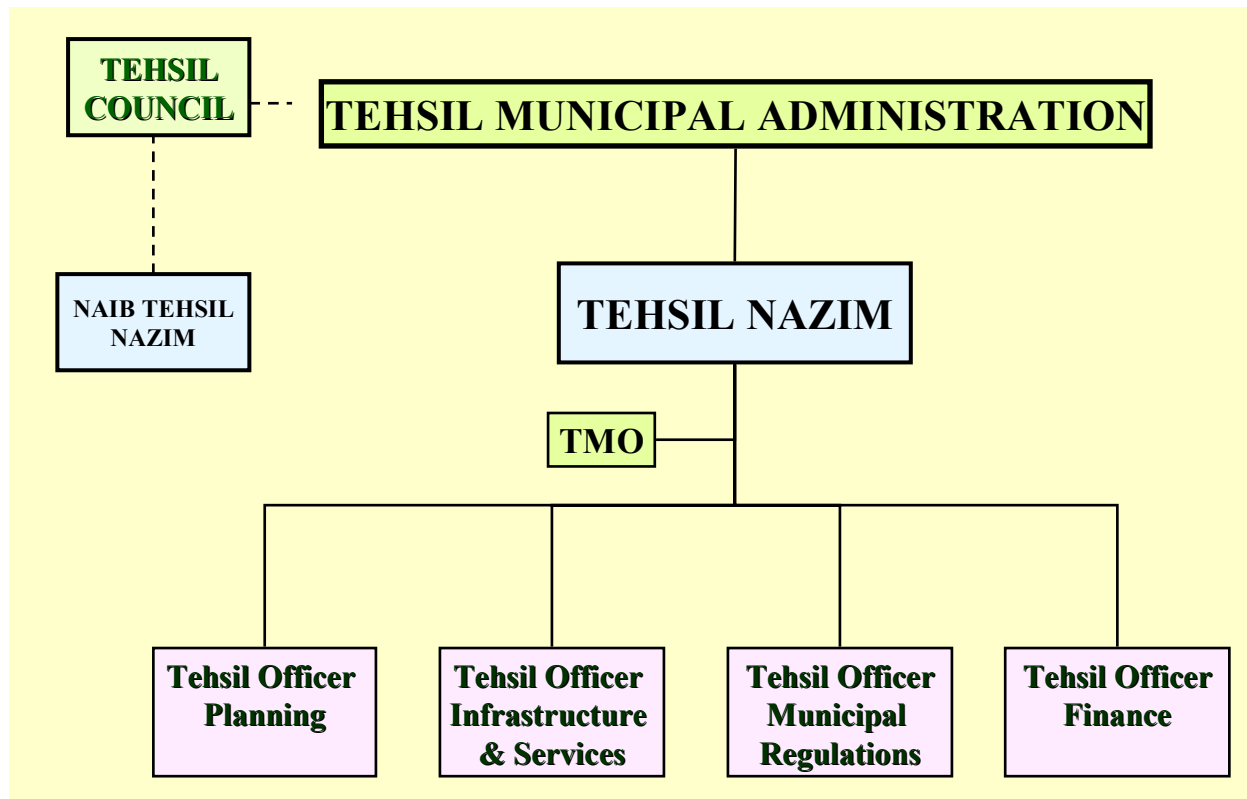
PART II City District Council

1. Education tax.
2. Health tax.
3. Any other tax authorized by the Government.
4. Local rate on lands assessable to land revenue.
5. Fees in respect of educational and health facilities established or maintained by the City District Government.
6. Fee for licenses or permits and penalties or fines for violations.
7. Fees for specific services rendered by City District Government.
8. Toll on roads, bridges, ferries within the limits of a City District, other than national and provincial highways and roads.
9. Rent for land, buildings, equipment, machinery and vehicles.
10. Fee for major industrial exhibitions and other public events organized by the City District Government.
11. Fee on advertisement.
12. Collection charges for recovery of any tax on behalf of the Government, Town Municipal Administration, Union Administration or any statutory authority as prescribed.
13. Fee for approval of building plans, erection and re-erection of buildings.
14. Charges for execution and maintenance of works of public utility like lighting of Public places, drainage, conservancy and water supply operated and maintained by City District Government.

Tehsil Municipal Administrations

Tehsil Municipal Administrations (TMAs) inherited staff and organizational structures from the erstwhile urban local bodies and from the provincial governments. Some provincial staff have also been transferred to them. The Tehsil Nazim is head of the Tehsil Municipal Administration and is assisted by Tehsil Municipal Officer (TMO). In Tehsil Municipal Administrations, the Tehsil Municipal Officer is supported by four Tehsil Officers (TOs) with responsibility for:

1. Municipal Regulations;
2. Infrastructure and Services;
3. Planning; and
4. Finance.



Functions and Powers of the Tehsil Municipal Administration

Under **section 54** of the LGO functions and powers of the Tehsil Municipal Administration are to-

- (a) prepare spatial plans for the tehsil in collaboration with Union Councils, including plans for land use, zoning and functions for which the Tehsil Municipal Administration is responsible;

- (b) seek approval of the Tehsil Council to the spatial plans prepared by it after due process of dissemination and public enquiry, incorporating modifications on the basis of such inquiry;
- (c) execute and manage development plans;
- (d) exercise control over land-use, 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;
- (e) enforce all municipal laws, rules and bye-laws governing its functioning;
- (f) prevent encroachments;
- (g) regulate affixing of sign-boards and advertisements;
- (h) provide, manage, operate, maintain and improve the municipal infrastructure and services, including-
 - (i) water supply and control and development of water sources, other than systems maintained by the Union and Village Councils;
 - (ii) sewage and sewage treatment and disposal;
 - (iii) storm water drainage;
 - (iv) sanitation and solid waste collection and sanitary disposal of solid, liquid, industrial and hospital wastes;
 - (v) roads and streets, other than roads falling under the jurisdiction of, and maintained by, the District Government or Government and streets maintained by the Union Administration or Village Council;
 - (vi) traffic planning, engineering and management including traffic signalling systems, signs on roads, street markings, parking places, transport stations, stops, stands and terminals;
 - (vii) street lighting;
 - (viii) fire fighting;
 - (ix) parks, playgrounds, open spaces and arboriculture; and

- (x) slaughter houses;
- (i) compile information provided by Union and Village Councils of prioritized projects in the tehsils;
- (j) prepare budget, long term and annual municipal development programmes in collaboration with the Union Councils, under the directions of Tehsil Nazim;
- (k) maintain, with the assistance of the District Government, Union and Village Councils, a comprehensive data base and information system for Tehsil Municipal Administration and provide public access to it on nominal charges;
- (l) propose taxes, cesses, user fees, rates, rents, tolls, charges, surcharges, levies, fines and penalties under Part-III of the Second Schedule for approval of the Tehsil Council and notify the same after such approval;
- (m) collect approved taxes, cess, user fees, rates, rents, tolls, charges, fines and penalties;
- (n) organize sports, cultural, recreational events, fairs and shows;
- (o) organize cattle fairs and cattle markets;
- (p) co-ordinate and support municipal functions amongst Unions and Villages;
- (q) regulate markets and services and issue licenses, permits, grant permissions and impose penalties for violation thereof as and where applicable;
- (r) manage properties, assets and funds vested in the Tehsil Municipal Administration;
- (s) develop and manage schemes, including site development in collaboration with District Government and Union Administration;
- (t) authorize an officer or officers to issue notice to a person committing any municipal offence and initiate legal proceedings for continuance of commission of such offence or for failure to comply with the directions contained in such notice;
- (u) prosecute, sue and follow up criminal, civil and recovery proceedings against violators of municipal laws in the courts of competent jurisdiction;
- (v) maintain municipal records and archives; and

- (w) prepare financial statements and present them for internal and external audit in the manner as may be prescribed.

The Tehsil (Taluka) Municipal Administration can also-

- (a) assign or contract out, on such terms and conditions as are approved by the Tehsil Council and after inviting public objections, any of its functions to any public-private, public or private organization;
- (b) on such terms and conditions as are mutually agreed, transfer its functions or responsibilities with regard to providing municipal services to the Union Administration or Village Council;
- (c) by an agreement and on such terms and conditions as may be mutually agreed, perform any function of the District Government;
- (d) with funds raised through voluntary contributions or external grant, but without recourse to additional enhanced taxation, user charges or fees or recourse to any other sources of public funds and without incurring debt of any nature, undertake any development project;
- (e) with the approval of the Government and concerned regulatory authorities of the Federal Government and Provincial Government, set-up, acquire, manage and operate any commercial activity on a self-financing basis with no liability to the public exchequer; and
- (f) set-up a corporate body to perform any of its functions, singly or jointly with other public or private bodies.

Functions and Powers of the Tehsil (Taluka)/Town Nazim

The Tehsil Nazim heads the Tehsil Municipal Administration. He is assisted by the Tehsil Municipal Officer. The Tehsil Nazim is responsible to ensure that the business of the Tehsil Municipal Administration is carried out in accordance with the provisions of this Ordinance and the laws relating to the municipal services.

The functions of Tehsil Nazim are to-

- (a) to provide vision and direction for efficient functioning of the municipal administration;
- (b) to formulate strategies for development of municipal infrastructure and improvement of delivery of the municipal services of the tehsil;
- (c) to oversee formulation and implementation of long term and annual municipal development programmes;

- (d) to oversee the delivery of services by the Tehsil Municipal Administration and implementation of the laws governing the municipal services;
- (e) to present the budget proposal to the Tehsil Council for approval;
- (f) to present a report in person on the performance to the Tehsil Council at least once in six months;
- (g) to supervise the utilization of the funds allocated to the Tehsil Municipal Administration and to ensure their proper accounting;
- (h) to establish and supervise the working of the Internal Audit Office; and
- (i) to represent Tehsil Municipal Administration on public and ceremonial occasions.

Functions and Powers of Tehsil (Taluka)/Town Council

The functions and powers of the Tehsil Council are to:

- (a) approve taxes, cess, rates, rents, fees, user-charges, tolls, levies, fines and penalties proposed by Tehsil Municipal Administration specified in Part-III of the Second Schedule;
- (b) approve bye-laws for delivery of municipal services;
- (c) approve annual budget and appropriations for the Tehsil Municipal Administration;
- (d) approve long and short term development plans;
- (e) approve posts of personal staff for the office of Tehsil Nazim and the terms and conditions of their service;
- (f) approve land use, zoning and master plan of the tehsil development and maintenance programmes or projects proposed by the Tehsil Municipal Administration;
- (g) elect Monitoring Committees of the Tehsil Council to monitor the working of the Tehsil Municipal Administration and the provision of municipal services;
- (h) ensure that Monitoring Committees perform their functions in a non-intrusive manner without interfering in the day to day working of the relevant offices of the Tehsil Municipal Administration and do not assume a command and control role;
- (i) review the reports of the Monitoring Committees and make appropriate recommendations to the Tehsil Nazim;

- (j) elect a Code of Conduct Committee which shall be responsible for enforcing the code of conduct for regulating the conduct of the members of the Tehsil Council;
- (k) elect an Insaaf Committee for interacting with the Insaaf Committee of the Zila Council;
- (l) elect Tehsil Accounts Committee to review the audit reports of the accounts of Tehsil Municipal Administration;
- (m) review the performance of Tehsil Municipal Administration presented by the Tehsil Nazim;
- (n) authorize the Tehsil Municipal Administration, subject to applicable laws and with the prior permission of the Government through District Government, floating of municipal bonds for raising funds for financing municipal projects; and
- (o) require, by resolution, the Tehsil Municipal Administration to undertake measures for improvement in the delivery of municipal services.

Town Municipal Administration

In a City District the LGO provides for towns. Similar to Tehsils the Town Municipal Officer (TMO) has oversight of the activities of four Town Officers (TOs) responsible for planning, infrastructure and services, municipal regulations, and finance. The functions and powers of the Town Municipal Administration are slightly different from those of Tehsils Municipal Administrations. The towns are required to-

- (a) prepare spatial plans for the Town in collaboration with Zila and Union Councils including plans for land use, zoning and functions for which the Town Municipal Administration is responsible within the framework of the spatial/master plans for the City District;
- (b) enforce, in addition to its own, all municipal laws for and on behalf of the City District Government, if required by such City District Government at the cost and expense of the latter;
- (c) execute and manage development plans for the functions which are performed by the Town Municipal Administration;
- (d) exercise control over land use, land sub-division, land development and zoning by public and private sectors for any purpose, including agriculture, industry, commerce, markets, shopping and other employment centers, residential, recreation, parks, entertainment, passenger and transport freight and transit stations within the framework of the spatial and Master plan for the City District;

- (e) prevent and remove encroachments;
- (f) procure and compile information provided by Union, Village Council and Neighborhood Councils of prioritized projects in the towns;
- (g) prepare budget and, annual and long term town municipal development programmes in collaboration with the Union Councils, under the directions of Town Nazim;
- (h) maintain, with the assistance of the City District Government, Union, Village Council and Neighbourhood Councils, a comprehensive data base and information system for Town Municipal Administration and provide public access thereto on nominal charges;
- (i) propose taxes, cesses, user fees, rates, rents, tolls, charges, levies, fines and penalties under Part-IV of the Second Schedule for approval of the Town Council and notify the same after such approval;
- (j) collect taxes, cesses, user fees, rates, rents, tolls charges, fines and penalties;
- (k) organize local sports, cultural and recreational events, fairs and shows;
- (l) organize cattle fairs and cattle markets;
- (m) regulate markets and services and issue licenses, permits, grant permissions and impose penalties for violations thereof as and where applicable;
- (n) manage properties, assets and funds vested in the Town Municipal Administration;
- (o) develop and manage schemes, including site development, in collaboration with City District Government and Union Administration;
- (p) provide, manage, operate, maintain and improve the municipal infrastructure and services, including-
 - i) water supply distribution other than integrated systems maintained by or on behalf of the City District;
 - ii) sewerage system other than an integrated system maintained by or on behalf of City District excluding sewerage treatment and disposal;
 - iii) solid waste collection and conveyance to transfer stations designated by the town but excluding treatment and disposal of waste;
 - iv) street lighting;

- v) fire fighting;
- vi) parks, playgrounds, open spaces and arboriculture other than major facility maintained by the City Districts; and
- vii) slaughter houses;
- (q) authorize an officer or officers to issue notice to a person committing any municipal offence and initiate legal proceedings for continuance of commission of such offence or for failure to comply with the directions contained in such notice;
- (r) prosecute, sue and follow criminal, civil and recovery proceedings against violations of municipal laws;
- (s) maintain town municipal records and archives; and
- (t) prepare financial statements and present them for internal and external audit in the manner as may be prescribed.

Functions and Powers of Town Council

Under **section 67-A** the functions and powers of the Town Council are to-

- (a) approve taxes, cesses, rates, rents, fees, user charges, tolls, levies, fines and penalties proposed by Town Municipal Administration specified in Part-IV of the Second Schedule;
- (b) approve annual budget and appropriation for the Town Municipal Administration;
- (c) approve long and short term development plans;
- (d) approve posts of personal staff for the office of Town Nazim and the terms and conditions of their service.
- (e) elect monitoring committees of the Town Council to monitor the working of the Town Municipal Administration and to provide municipal services;
- (f) ensure that monitoring committees perform their functions in a non-intrusive manner in the day to day working of the relevant offices of the Town Municipal Administration and do not assume a command and control role;
- (g) review the reports of the monitoring committees and make appropriate recommendations to the Town Nazim;
- (h) elect Ethics Committee which shall be responsible for enforcing the code of conduct for regulating the conduct of the members of the Town Council;

- (i) elect an Insaaf Committee for interacting with the Insaaf Committee of the Zila Council;
- (j) elect Town Accounts Committee to review the audit reports of the accounts of Town Municipal Administration;
- (k) review the performance of Town Municipal Administration presented by the Town Nazim;
- (l) recommend, by resolution, to the City District Government measures for improving delivery of municipal services to the Towns;
- (m) approve bye-laws for delivery of municipal services;
- (n) approve land use, zoning and master plan of the town development and maintenance programmes or projects proposed by the Town Municipal Administration; and
- (o) require, by resolution, the Town Municipal Administration to undertake measures for improvement in the delivery of municipal services.

Taxes Under the Purview of Tehsil (Taluka)/Town Council

The taxes which can be levied by the Tehsil and Town Councils are as follows:

Part III Tehsil Council

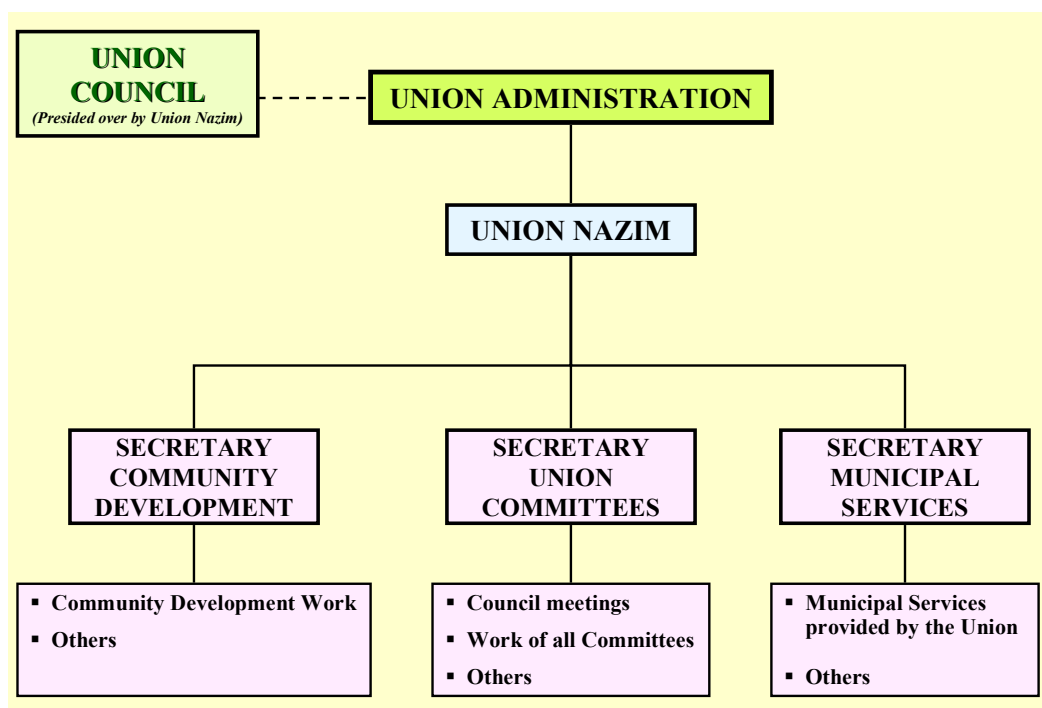
1. Local tax on services.
2. Fee on sale of animals in cattle markets.
3. Market fees.
4. Tax on the transfer of immovable property.
5. Property tax rate as specified in Section 117 of this ordinance.
6. Fee on advertisement other than on radio, television and bill boards.
7. Fee for fairs, agricultural shows, cattle fairs, industrial exhibition, tournaments and other public events.
8. Fee for approval of building plans and erection and re-erection of buildings.
9. Fee for licenses or permits and penalties or fines for violations.
10. Charges for development, betterment, improvement and maintenance of works of public utility like lighting of public places, drainage, conservancy, and water supply by Tehsil Municipal Administration.
11. Fee on cinemas, dramatical, theatrical shows and tickets thereof and other entertainment.
12. Collection charges for recovery of any tax on behalf of the Government, District Government, Union Administration or any statutory authority as prescribed.
13. Rent for land, buildings, equipment, machinery and vehicles.
14. Fee for specific services rendered by a Tehsil Municipal Administration.
15. Tax on vehicles other than motor vehicles registered in the Tehsil.

PART IV Town Council

1. Local tax on services.
2. Fee on sale of animals in cattle markets.
3. Market fees.
4. Tax on transfer of immovable property.
5. Fee for fairs, agricultural shows, cattle fairs tournaments industrial exhibitions and other public events organized by the Town Municipal Administration.
6. Fee for licenses or permits and penalties or fines for violations.
7. Collection charges for recovery of any tax on behalf of the Government, City District Government, Union Administration or any statutory authority as prescribed.
8. Fee on cinemas, dramatical, theatrical shows and tickets thereof, and other entertainment.
9. Rent for land, buildings, equipment, machinery and vehicles.
10. Fees for specific services rendered by a Town Municipal Administration.
11. Property tax rate as specified in Section 117 of this Ordinance.
12. Fee for approval of building plans and erection and re-erection of buildings with the approval of the City District Government.
13. Tax on vehicles other than motor vehicles registered in the Town.

Union Administration

At union level, the union nazim is head of the administration. He is assisted by up to three secretaries; one for union committees, the second for municipal functions and the third for community development under the executive control of the union nazim.



Functions and Powers of Union Administration

Under **section 76** of the LGO functions of Union Administration are to:

- (a) collect and maintain statistical information for socio-economic surveys;
- (b) consolidate village and neighbourhood development needs and prioritize them into union-wide development proposals with the approval of the Union Council and make recommendations thereof to the District Government or Tehsil Municipal Administration, as the case may be;
- (c) identify deficiencies in the delivery of services and make recommendations for improvement thereof to the Tehsil Municipal Administration;
- (d) register births, deaths and marriages and issue certificates thereof;
- (e) make proposals to the Union Council for levy of rates and fees specified in the Second Schedule and to collect such rates and fees within the Union;
- (f) establish and maintain libraries;
- (g) organize inter-Village or Neighbourhood sports tournaments, fairs, shows and other cultural and recreational activities;
- (h) disseminate information on matters of public interest;
- (i) improve and maintain public open spaces, public gardens and playgrounds;
- (j) provide and maintain public sources of drinking water, including wells, water pumps, tanks, ponds and other works for the supply of water;
- (k) maintain the lighting of streets, public ways and public places through mutual agreement with the Tehsil Municipal Administration;
- (l) arrange facilities for the handicapped, destitutes and poor;
- (m) provide protection against stray animals and animal trespass, and to establish cattle pounds;
- (n) regulate grazing areas;
- (o) assist the relevant authorities in disasters and natural calamities, and assist in relief activities, including de-silting of canals;

- (p) co-operate with the public, private or voluntary organisations, engaged in activities similar to those of the Union;
- (q) execute the projects of the approved Union Annual Development Plan by contracting out to the private sector in the manner as may be prescribed and to obtain support of the Tehsil Municipal Administration or District Government for such execution; and
- (r) assist the Village Councils or, as the case may be, Neighbourhood Councils in the Union to execute development projects.

Functions and Powers of Union Nazim

The Union Nazim's functions are to-

- (a) provide leadership for Union-wide development and preparation of budget and the annual development plan;
- (b) organize the management of inter-villages municipal infrastructure;
- (c) assist the Tehsil Municipal Administration in spatial planning process;
- (d) constitute Musalehat Anjumans;
- (e) dispose of the business of Union Administration and to record the annual Performance Evaluation Report of Union Secretaries. The report is countersigned by the Tehsil Municipal Officer; and
- (f) report to the concerned authorities in respect of-
 - i) encroachment on State and local government property and violation of land use and building laws, rules and bye-laws.
 - ii) sale and trade of dangerous and offensive articles;
 - iii) environmental and health hazards;
 - iv) adulteration of articles of food; and
 - v) breach of public watercourses, within the area of the union.

Functions and Powers of Union Council

Under section 88 the functions of the Union Council are to:

- (a) approve the annual development plan and budgetary proposals of the Union Administration;
- (b) approve rates and fees for services specified in Part-V of the Second Schedule proposed by the Union Administration;
- (c) facilitate the formation and functioning of Citizen Community Boards;
- (d) assist the Tehsil Council and Town Council in creation of Village and Neighbourhood Councils;
- (e) facilitate the formation of co-operatives for improving economic returns and reduction of interstitial poverty;
- (f) mobilize the community involvement in maintenance of public ways, public streets, culverts, bridges and public buildings, de-silting of canals and other development pursuits;
- (g) promote plantation of trees, landscaping and beautification of public places in the Union;
- (h) assist Tehsil Municipal Administration in establishment and maintenance of burial and cremation places;
- (i) approve the terms and conditions of the employment of Village or Neighbourhood guards and oversee their functioning;
- (j) adopt appropriate measures and provide support to the District Government, Tehsil Municipal Administration and Town Municipal Administration for achievement of socio-economic development and improvement of services;
- (k) elect Monitoring Committees of the Union, each for municipal services, finance, public safety, health, education, literacy, works and services;
- (l) elect a Code of Conduct Committee of the Union Council which shall be responsible for enforcing the code of conduct for regulating the conduct of members of the Council;
- (m) elect a Union Accounts Committee which is responsible for examination of the audit reports;
- (n) elect an Insaaf Committee which shall be responsible for the selection of the panel of Conciliators of Musalehat Anjuman for out of court amicable settlement of disputes;

- (o) review the performance of Union Administration and Union Monitoring Committees; and
- (p) review the annual statement of accounts and external or special audit reports in respect of the Union Administration.

Tax Under the Purview of Union Council

The taxes which can be levied by a Union Council are provided below:

PART V Union Council

1. Fee for licensing of professions and vocations.
2. Fees for registration and certification of birth, marriages and deaths.
3. Charges for specific services rendered by the Union Council.
4. Rate for remuneration of Village and Neighbourhood guards.
5. Rate for the execution or maintenance of any work of public utility like lighting of public spaces, drainage, conservancy and water supply operated by Union Administration.
6. Rent for land, buildings, equipment, machinery and vehicles.
7. Collection charges for recovery of any tax on behalf of the Government, District Government, Tehsil Administration or any statutory authority as prescribed."

Functions of Village Council and Neighbourhood Council

Village and Neighbourhood Councils

Village and neighbourhood councils are to be established to promote participation in the democratic process. The provisions to establish these councils exist in the provincial Local Government Ordinances.

The village council is seen as the 'ideal associative unit for participation', whilst the union is the '*ideal unit for the monitoring of services*'. The Village and Neighbourhood councils may have between five and eleven members, with *tehsil Nazims* arranging elections through secret ballot, the candidate securing the highest number of votes becomes the chairman. In each council, one seat is reserved for women and one for peasants and workers. The term of office of a village or neighbourhood council expires with that of a union council. The village or neighbourhood council has a proactive role to promote citizen involvement, identifying priorities and problems and finding solutions, through CBOs, or organising local micro-programmes promoting civic education and gender issues, and organising youth and recreational activities.

The functions of Village Council and Neighbourhood Council are provided in section 96 which are to-

- (a) develop and improve water supply sources;

- (b) make arrangements for sanitation, cleanliness and disposal of garbage and carcasses;
- (c) develop sites for drinking and bathing of cattle;
- (d) take measures to prevent contamination of water;
- (e) prevent and abate nuisances in public ways, public streets and public places;
- (f) organize watch and ward in the Village and Neighbourhood through unarmed Village or Neighbourhood guards;
- (g) organize Village and Neighbourhood sports teams, cultural, and recreational activities;
- (h) mobilize voluntary resources, including physical labour, property and cash contributions for municipal activities in the Village and Neighbourhood;
- (i) facilitate the formation of co-operatives for improving economic returns and reduction of interstitial poverty and consumer protection;
- (j) report cases of handicapped, destitute, and of extreme poverty to the Union Administration;
- (k) mobilize the community involvement in maintenance of public streets, play grounds, parks, culverts and public buildings, de-silting of canals and watercourses; and
- (l) promote plantation of trees, landscaping and beautification of the Village and Neighbourhood.

The Village Council and Neighbourhood Council id required to assist Union Administration in-

- (a) conducting surveys in the Village and Neighbourhood and collecting socio-economic data;
- (b) selecting sites for providing municipal facilities and services to the Village or Neighbourhood;
- (c) identifying encroachments;
- (d) managing burial places and cremation grounds of the village;
- (e) managing and lighting of Village or Neighbourhood roads, streets, and paths; and
- (f) collecting land revenue and other taxes.

A Village Council or Neighbourhood Council can, subject to such terms and conditions as may be mutually agreed, entrust any of its functions to the Union Administration. It can with funds raised through voluntary contributions or on self help basis, develop and maintain municipal and community welfare facilities. Village Council and Neighbourhood Council also facilitate creation of the Citizen Community Boards for development and maintenance of municipal and community welfare facilities.

Citizen Community Boards (CCBs)

The LGO provides an avenue for the involvement of non elected citizens to participate in the development process through the CCBs. Section 98 of the LGO provides that in every local area, groups of non elected citizens may, through voluntary, proactive and self help initiatives, set up any number of Citizen Community Boards. Such Citizen Community Boards are set up for the purposes of, *inter alia*, energizing the community for development and improvement in service delivery, development and management of a new or existing public facility, identification of development and municipal needs, mobilization of stakeholders for community involvement in the improvement and maintenance of facilities, welfare of the handicapped, destitute, widows and families in extreme poverty, establishment of farming, marketing and consumers cooperatives and reinforcing the capacity of a special Monitoring Committee at the behest of the concerned Council.

Role of Provincial Governments

With devolution, the functions of the provincial Governments in terms of the devolved functions have changed significantly. They are now responsible for legislation, policy formulation, rule making, standard setting, performance analysis etc. Some of the important functions in relation to the devolved subjects are listed below:

1. Medium Term Budgetary Framework (financial planning)
2. Medium Term Development Framework (development planning)
3. Poverty Reduction Strategy Papers (PRSP)
4. Legislation
5. Rules of business – allocation of business
6. Rules for local governments
7. Notifications required under LGO
8. Policy formulation and follow up on implementation
9. Support to Secretariats of PFC and PLGC
10. Implementation of Chief Minister’s directives
11. Conditional grants design from the Provincial Retained Amount
12. Personnel management (Appointment/Posting/Transfers) of provincial employees working in local governments
13. Releases against PFC Award
14. Analysis of local government information and reports

15. Performance and service delivery monitoring of LGs on monthly basis through monthly management reports from LGs.
16. Consolidation of local government data at provincial level.
17. Coordination with donors on LG matters and development of projects
18. Interaction with Provincial Assembly/public/press at provincial level on LG functions
19. Research / studies / evaluations on LG functions
20. Capacity building of LGs and development of training material
21. Technical coordination with local governments
22. Coordination within departments at provincial level on local government functions
23. Service delivery technical standards for LG functions
24. Delimitation of local areas
25. Grouping of local government offices
26. Loans and debt management
27. Assistance/coordination with PFC/ LGC / NFC
28. Dispatch of audit reports to LGs
29. Coordination with Federal Government on local government functions i.e. national policies/standards /targets etc.

The above new functions require restructuring of provincial departments in order to ensure effective coordination. **Section 133A** of the LGO provides for the administrative realignment of provincial departments to be made in compatibility with the features of Devolution Plan ensuring the principles of good governance.

4.5 CITIZENS SHOULD BE ABLE TO PARTICIPATE IN DECISION-MAKING

All citizens should be able to participate actively in the local democratic process. Local democracy gives citizens the freedom to participate in making decisions that are locally appropriate and serve the needs of local community. Effective consultation is central to the engagement of the community in the local policy making process. However, critical to this is a vibrant civil society and a clearly defined relationship between it and local government. It is important for local government to be proactive, and reach out to its communities to ensure that public participation is maximized. The political will to develop that relationship with its electorate must be nurtured within the local council itself. The building of a robust relationship between local government and civil society is central to local democracy and to the development of sustainable communities.

The fundamental philosophy of LGO is to empower the public at the local level to take decisions according to local priorities. The democratic setup envisaged in the LGO provides for elections in which the elected candidates represent the people and the community within that jurisdiction. Local democracy is the pillar of the local government system in Pakistan. The process of election has been made transparent to ensure free and fair elections. Thus the involvement of the people in selecting their representatives has been made secure.

After elections the Councils comprising elected representatives are responsible for managing the affairs of the local governments. They are fully empowered to decide on administrative, financial and political matters pertaining to their respective local governments. One line fiscal transfer mechanism through the PFC has been provided in order to allow full discretion to the Councils to prepare their budgets in accordance with the local priorities. The Councils are also authorized by law to approve their budgets including taxation proposals in accordance with the local priorities. They also have the power to re-appropriate the budget during the financial year. The elected Nazim has been made the executive head of the local government administration in order to ensure that the resolutions of the Councils are implemented by the executive. The Nazim and the officials report regularly to the council and are answerable for their performance to their council.

Decision making in the Council is through voting. A simple majority is required for passing a resolution. In certain cases higher percentage is required. Thus, the democratic process in a council ensures participation of all members in the decisions. The Governance reforms introduced in 1999 through the promulgation of the LGOs have placed the executive under the elected representatives of the people. Prior to devolution the district level officials were only responsible to their hierarchy and not to the people. Citizens involvement was minimal. The Councils have also been provided the powers to issue bye laws. These are critical for the smooth functioning of the local governments. Through the bye laws the Council can define the process and prescribe the procedure to be followed by the executive, thus controlling their activities and ensuring that pro-citizens systems are put in place.

Under the Budget Rules the public participation concept is emphasized. Proposals are identified at local level including Village Council (VC) /Neighbourhood Council (NC) and CCBs. The community's input is solicited at the planning and design stage. The schemes identified by the Union Councils relating to Tehsil/Town and Districts functions are forwarded to the Tehsil/Town Municipal Administration and District Government. Similarly schemes identified by the Tehsil/Town Council relating to Districts and Union functions are forwarded to the District Government and Union Administration. District Council may also recommend schemes relating to Tehsil/Town & Union functions to the Tehsil/Town Municipal Administration and Union Administrations. All schemes need to be approved by the respective Council. Thus, the identification process is based on input from the elected representatives at all levels of local governments.

The Budget Rules provide a complete system of monitoring the budget during the year. New forms have been included for reporting on monthly basis against the budget. After consolidation at the provincial level a complete provincial picture can emerge.

The ownership of budget process i.e., preparation, approval, implementation and monitoring lies with the elected Council. They are totally involved at all stages. They have the powers to direct the Nazims to take corrective action through their resolutions.

Citizen Community Boards

The LGO also provides an avenue for the non-elected citizens to participate in the development process through formation of Citizens Community Boards under a bottom up planning and ownership incentive system. Under the CCB mechanism the citizens are not just decision makers but they also participate in implementation of their approved projects. The CCB concept is beyond just participation in decision making rather it is actual empowerment of the community to resolve their common problems themselves.

In every local area i.e. Union, Tehsil/Taluka/Town, District/City District a group of non-elected citizens can for energizing the community for development and improvement of services set up a Citizen Community Board. Community Boards are registered with the Community Development Group of Office (CDO) of the respective district. The Citizen Community Boards are responsible for project design, implementation, management and monitoring of their projects.

The Citizen Community Board is a non-profit organization and its income and assets are used solely for the attainment of its objectives, and no portion of the income is paid by way of salary, dividend, profit or bonus to any of its members or contributors. The Citizen Community Board has a general body of its members who elects a Chairman, Executive Committee and a Secretary of the Board for carrying out its functions. The term of office of the Chairman, members of the Executive Committee and Secretary of the Citizen Community Board is two years extendable through election for a similar term or terms by the general body. The Chairman and Secretary are responsible for safe custody and management of property and assets of the Citizen Community Board.

The CCBs submit their proposal on a standardized application form. The CCBs develop proposals, which are in line with the functions and objectives defined in the Local Government Ordinance. The maximum share of the Local Government cannot exceed 80%. The community share in cash must not be less than 20%. The details of the CCBs registered since December, 2003 are provided below:

Number of CCBs Registered

Province	Dec 2003	Mar 2004	May 2004	Sept 2004	Dec 2004	Jun 2005	Dec 2005	Mar 2006
Punjab	3258	3482	4320	6141	7244	10168	10961	12591
NWFP	709	1299	1752	2737	4337	6187	6764	8068
Sindh	941	917	1073	1329	1837	2351	2721	3098
Balochistan	119	138	174	316	442	707	905	1071
Total	5027	5836	7319	10523	13860	19413	21351	24828

Province-wise information relating to number of CCB projects submitted and completed until March, 2006 at district level is given below:

Province	Projects Submitted	Projects Approved	Projects Completed	On-going Projects	Funds utilized (Rs. In million)
Punjab	4339	2043	653	1063	1342.6
NWFP	2005	1082	668	375	279.65
Sindh	1601	1099	621	167	200
Balochistan	156	15	9	2	3.3
Total	8101	4239	1951	1607	1825.6

The communities have shown great interest in development of their areas through CCB schemes. An analysis of the information collected reveals that the communities are interested in investing in projects relating to Agriculture, Soling (bricks pavement), Water Supply, Drainage, Education, Women Development, Education and Health.

To facilitate the process of utilization of development funds reserved for the CCBs in the local budgets a Devolution Trust for Community Empowerment (DTCE) has been established. The Chairman NRB is the Chairman of the Board of Directors of the DTCE. The Trust, NRB and the National Commission for Human Development have entered into an agreement whereby the activities for three institutions will support each others efforts to consolidate the local government system, improve the delivery services particularly in the social sectors and empower the communities at the grass roots level to participate in the process of development.

4.6 LOCAL GOVERNMENT SHOULD BE ACCOUNTABLE TO THE COMMUNITY

Open local government - accountability: Local government should be accountable to the community it serves while operating within the legal and policy framework of other spheres of government. Robust, independent regulatory bodies need to be in place to safeguard against corruption, mismanagement and the inappropriate use of resources by local government, politicians, and officials. Civil society needs to be strengthened as a counterpart in this process. Participatory budgeting is a tool for enhancing accountability, which is also effective at training local civil society in holding their local councils to account.

The fundamental change brought about by the local government system has been to empower the people to hold the administration accountable for implementing the decisions approved by the Council. The local government system has been designed to ensure Good Governance at all levels of local governments. Sufficient checks and balance through the elected representatives and independent institutions have been provided to ensure that the peoples monies are properly spent.

The local government institutions and offices have a strong framework of accountability in the shape of inspections, audits, inquiries, complaint cells, etc based on transparency and internal and external checks and balance to ensure accountable, efficient and effective set of governance at local level.

It provides monitoring mechanism through the elected representatives. In fact, it is the first time that the elected local representatives have been assigned the responsibility of monitoring under the law. The monitoring role assigned to them is that of identification of problems and bringing them to the notice of the respective Council, Nazim, and the Administration and to assist in resolving the problems, through an interactive process involving the officials and the people. They are to ensure that the feedback of people reaches the policy makers and the planners, especially about the state of delivery of services by the local governments.

In order to ensure transparency and accountability at each level of local government **section 137** of the Local Government Ordinance, 2001 provides that every citizen shall have the right to information about any office of the District Government, Tehsil/Town Municipal Administration and Union Administration. Every local government is required to display as far as possible information about the staffing and the performance of its office during the preceding month at a prominent place within the premises of the office for access by the citizens.

Under **section 188** of the Local Government Ordinance, 2001 each District Government, Tehsil Municipal Administration, Town Municipal Administration and Union Administration is required to set up a **Complaint Cell** for redressal of grievances within the ambit of their responsibilities under the Ordinance.

Accountability by the Councils

Under the LGO the Council has been provided the powers to approve all plans of the respective local government. It is also empowered to monitor the implementation of approved plans and budget. It is the responsibility of the Council to ensure that the funds are used in the most cost effective manner and that all irregularities and corruption is eliminated.

Zila Council

The Zila Council regulates its business in accordance with the bye-laws made by it and meets at least once in every month. The decisions of a Zila Council are taken by resolutions passed by a simple majority of the members present and voting. Its meetings are open to public, unless the Council, by a resolution, decides to hold any meeting in camera.

Section 39 *inter alia* provides for the powers of a Zila Council to:

- (a) review the Monitoring Committees' quarterly reports on the performance of the District Government;
- (b) elect a Code of Conduct Committee which shall be responsible for enforcing the code of conduct and regulating the conduct of the members of the Zila Council;
- (c) elect an Insaf Committee which shall facilitate access of the people to the Member Inspection Team of the High Court for redressing their grievances;
- (d) elect a Zila Accounts Committee;
- (e) review the performance reports of the District Government presented by Zila Nazim;
- (f) review the audit reports of the Zila Accounts Committee; and
- (g) require the District Government to undertake measures for good governance and improvement in the delivery of services.

On a motion initiated by the District Government, the Zila Council may, by a resolution stating the grounds thereof, passed by a simple majority of its total membership, set aside a resolution of the Tehsil/Town Council, if it considers the same to be against the interest of the people or public policy.

Similarly the Zila Council can set aside an order or decision of general application taken by Tehsil/Town Nazim.

If in the opinion of a member of the Zila Council, there is a reason to believe that the Zila Nazim is acting against the public policy or the interest of the people or is negligent or is

responsible for loss of opportunity for improvement in governance and service delivery to the people within the ambit of his responsibilities, he may, seconded by another member of the Council, give notice to move a motion in the Zila Council through Naib Zila Nazim for recall of the Zila Nazim. If the motion is approved by two-third majority of the votes of the total membership of the Council, through a secret ballot, the Zila Nazim shall cease to hold office forthwith.

If in the opinion of a member of the Zila Council, there is a reason to believe that the Naib Zila Nazim is acting against the public policy or the interest of the people, or for any other reason he has lost confidence of the Council, he may, seconded by another member of the Council, give notice to move a motion in the Zila Council through its senior most presiding officer for removal of Naib Zila Nazim. If the motion is approved by majority of the votes of the total membership of the Council, through a secret ballot, the Naib Zila Nazim shall cease to hold office forthwith.

Tehsil/Town Council

The Tehsil/Town Council regulates its business in accordance with the bye-laws made by it and meets at least once in every month. Decisions of the Tehsil/Town Council are taken by resolutions passed by a simple majority of the members present and voting and a copy of each resolution is transmitted to the Provincial Local Government Commission. The meetings of the Tehsil/Town Council are open to public, unless the Council, by a resolution, decides to hold any meeting in camera.

Under **sections 67** and **67-A** *inter alia* the Tehsil/Town Council shall:

- (a) elect Monitoring Committees of the Tehsil/Town Council to monitor the working of the Tehsil/Town Municipal Administration and the provision of municipal services;
- (b) review the reports of the Monitoring Committees and make appropriate recommendations to the Tehsil/Town Nazim;
- (c) elect a Code of Conduct Committee which shall be responsible for enforcing the code of conduct for regulating the conduct of the members of the Tehsil/Town Council;
- (d) elect an Insaaf Committee for interacting with the Insaaf Committee of the Zila Council;
- (e) elect Tehsil/Town Accounts Committee to review the audit reports of the accounts of Tehsil/Town Municipal Administration;
- (f) review the performance of Tehsil/Town Municipal Administration presented by the Tehsil/Town Nazim; and

- (g) require, by resolution, the Tehsil/Town Municipal Administration to undertake measures for improvement in the delivery of municipal services.

If in the opinion of a member of the Tehsil/Town Council, there is a reason to believe that the Tehsil/Town Nazim is acting against the public policy or the interest of the people or is negligent or is responsible for loss of opportunity to improve governance and the delivery of services, he may, seconded by another member of the Council, give a notice to move a motion in the Tehsil/Town Council through Naib Tehsil/Town Nazim for recall of Tehsil/Town Nazim. If the motion is approved by the two-third majority of the votes of total membership of the council, through a secret ballot, the Tehsil/Town Nazim shall cease to hold office forthwith.

If in the opinion of a member of Tehsil/Town Council, there is a reason to believe that the Naib Tehsil/Town Nazim is acting against the public policy or the interest of the people or for any other reason he has lost confidence of the Council, he may, seconded by another member of the Council, give a notice to the Tehsil/Town Council for moving a motion for removal of Naib Tehsil/Town Nazim. If the motion is approved by majority votes of the total membership of the council, through a secret ballot, the Naib Tehsil Nazim shall cease to hold office forthwith.

On a motion initiated by the Tehsil /Town Nazim, Tehsil/Town Council may, by a resolution stating the grounds thereof, passed by a simple majority of its total membership, set aside an order or decision taken by Union Nazim, if it considers the same to be against the interest of the people or public policy.

On a motion initiated by the Tehsil/Town Municipal Administration, the Tehsil/Town Council may, by a resolution stating the grounds thereof, passed by a simple majority of its total membership, set aside a resolution of the Union Council, if it considers the same to be against the interest of the people or public policy.

Union Council

The Union Council regulates its business in accordance with the bye-laws made by it and meets at least once in every month. All decisions of the Union Council are taken by resolutions passed by a simple majority of its total membership. The meetings of the Union Council are open to public, unless the Union Council, by a resolution, decides to hold any meeting in camera.

The Union Council is required to:

- (a) elect Monitoring Committees of the Union, each for municipal services, finance, public safety, health, education, literacy, works and services;
- (b) elect a Code of Conduct Committee of the Union Council which shall be responsible for enforcing the code of conduct for regulating the conduct of members of the Council;

- (c) elect a Union Accounts Committee which shall be responsible for examination of the audit reports;
- (d) review the performance of Union Administration and Union Monitoring Committees; and
- (e) review the annual statement of accounts and external or special audit reports in respect of the Union Administration.

If in the opinion of a member of Union Council, there is a reason to believe that the Union Nazim is acting against the public policy or the interest of the people or on the ground of inaction or neglects to serve the needs of the people, he may, seconded by another member of the Council, give a notice to move a motion in the Union Council for recall of Union Nazim. If the motion is approved by the two-third majority of the votes of total membership of the council, through secret ballot, the Union Nazim shall cease to hold office forthwith.

Monitoring Committees of the Councils

The Monitoring Committees are the main institutions, which empower the elected representatives to oversee the functioning of their respective local governments. They comprise councillors who are elected from within the Council. The LGO specifies the committees for each level of the local government. Their main work is to monitor the facilities of the local government delivering services to the people.

The Monitoring Committees of the Zila and Tehsil Council are responsible for monitoring the functioning of their respective offices and for preparing quarterly evaluation reports on the prescribed format.

The Monitoring Committees of Union Council however are different. The union is closest to the service delivery facilities managed by the TMAs or the District Governments. The union councillors are the closest to the people and the community. They are also one of the first to be approached by the citizens in case of poor service delivery. The LGO thus assigns the critical function of monitoring all service delivery facilities of the District Government, Tehsil Municipal Administration, Town Municipal Administration and Union Administration.

The reports of the Monitoring Committees are presented to the concerned Councils and the local government administration for further action and follow up. Thus the whole process is people centred and fully involves the elected representatives in the critical task of monitoring and ensuring proper services.

Accounts Committees

The financial accountability by the community is exercised by the Accounts Committee of the respective Council. The LGO requires that a statement of monthly and annual Accounts

and such other necessary statements be placed at a conspicuous place by the local government concerned for public inspection. The function of the Accounts Committees of the Councils is to hold public hearings in which-

- (a) objections to statement of accounts may be heard and, if required, appropriate action may be taken; and
- (b) internal and external Audit Reports shall be discussed for appropriate action.

The LGO has based this on the principle of public accountability, which requires that accountability be open, transparent and conducted by the people through their elected representatives. This public process provides a mechanism for involving the citizens and the civil society organizations to participate in the accountability process and to contribute in improving the functioning of the local governments.

Accountability by Elected Nazims

District Government

The elected Zila Nazim under is to oversee formulation and execution of the annual development plan, delivery of services and functioning of the District Government and maintain administrative and financial discipline in the District Government. He has to present a report on the performance of the District Government in person to the Zila Council at least twice a year.

At the commencement of first session of the Zila Council after its election and on commencement of first session of every year, the Zila Nazim has to address the Zila Council and inform the Council of his plans and programmes for the current year and the performance of the District Government during the preceding year.

The Zila Nazim may designate inspecting officers to objectively examine the performance of a Tehsil Municipal Administration, Town Municipal Administration and Union Administration in relation to service delivery. Based on the report he advises the concerned Nazim to take appropriate action and inform the respective Council about the action taken within thirty days. If any action is required to be taken against the concerned Nazim, the Zila Nazim may refer the matter to the Provincial Local Government Commission for appropriate action.

The Zila Nazim can also require any Tehsil Nazim, Town Nazim or Union Nazim in the district to conduct an enquiry into any matter concerning respective local government and submit the report alongwith the proceedings of the enquiry to the Zila Nazim. If the Zila Nazim is not satisfied with the conduct of enquiry carried out, he may arrange for an independent enquiry by an officer of the District Government. On the basis of the findings of the enquiry, the Zila Nazim advises the concerned Nazim to take appropriate action on the report within thirty days and place it before the respective Council for information.

Tehsil/Town Nazim

The Tehsil/Town Nazim heads the Tehsil/Town Municipal Administration. He is responsible to ensure that the business of the Tehsil/Town Municipal Administration is carried out in accordance with the provisions of this Ordinance and the laws relating to the municipal services for the time being in force.

Tehsil/Town Nazim under **section 57** oversees the delivery of services by the Tehsil/Town Municipal Administration and implementation of the laws governing the municipal services. He has to present a report in person on the performance to the Tehsil/Town Council at least once in six months.

At the commencement of first session of the Tehsil/Town Council after its election and on commencement of first session of every year the Tehsil/Town Nazim addresses the Tehsil/Town Council and informs the Council of his plans and programmes for the said year and the performance of the Tehsil/Town Administration during the preceding year.

Zila Mohtasib (Section 134)

The Zila Mohtasib is another institution, which is to be established at every district provided to make the local government accountable to the people. Its main function is to redress citizens' complaints against mal-administration of the holders of public offices in the local governments within the district. The expression 'holders of public office' includes all functionaries of the District Government, Tehsil/Town Municipal Administration, Union Administration, Nazims, Naib Nazims, District Police Officers and officials, members of the Councils and all officials of the Council.

The Zila Mohtasib on a complaint by any aggrieved person or of his own motion, can undertake any investigation into any allegation of on the part of any office of local government or any of its officers or employees. Based on the findings he may recommend appropriate action.

The Mohtasib has to present an annual report to the Councils stating the achievements of his office during a year including the relief provided to the complainants having grievance against maladministration by the local governments. Such reports are released for publication and copies provided to the public. This process of annual feedback to the Council by the Mohtasib provides an additional mechanism to the elected representatives and the community to monitor the performance of the local governments.

Auditor General of Pakistan (Section 115)

The accounts of the local governments are audited by the Auditor General of Pakistan, who is appointed by the President of Pakistan under Article 168 of the Constitution. The Report of the Auditor General is laid by the concerned Nazim before the Council. It provides an independent assessment relating to the financial matters of a local government to the Council and

thus provides the check of the elected representatives over the use of funds by the local government administration.

Provincial Local Government Commission

The most important public institution under the LGO is the Provincial Local Government Commission. This regulatory body has been provided in the LGO to safeguard against mismanagement and the inappropriate use of resources by local government, elected representatives, and officials. The Provincial Local Government Commission consists of the following members:

- (a) a Chairman who is the Minister for Local Government;
- (b) two members from the general public, one each nominated by the leader of the House and leader of the Opposition of the Provincial Assembly;
- (c) two eminent, qualified and experienced technocrat members selected by the Government; and
- (d) Secretary, Local Government and Rural Development Department, is the ex-officio member and secretary of the Commission.

As can be seen from the membership it is an institution comprising elected representatives, civil society and Government officials. The functions of the Provincial Local Government Commission are to conduct annual and special inspections of the local governments, hold inquiries, resolve disputes between any Department of the Government and District Government or between two District Governments and take cognizance of violations of laws and rules by a local government. In addition it is also to organize consultative planning meetings of National and Provincial legislators, Zila, Tehsil or Town Nazims of a district on a periodic basis to provide their participation in development activities of the district.

The composition and functions of the Commission clearly reflects its robustness and independence thus fulfilling one of the guiding principles of the Aberdeen Agenda.

Provincial Finance Commission

The equitable, transparent and predictable distribution of resources is a critical issue in every country. Public oversight is critical over this very important function. To comprehensively address this issue the LGO requires the Governor of the Province to constitute a Provincial Finance Commission. This public institution consists of ten members, including the Chairman as under:-

- (a) four members are ex-officio, namely-

- i) the Minister for Finance of the Province as Chairman;
 - ii) the Secretary to Government, Local Government and Rural Development Department;
 - iii) the Secretary to Government, Finance Department (as Member/ Secretary); and
 - iv) the Secretary to Government, Planning and Development Department;
- (b) three professional members from the private sector to be appointed in the manner stated in the Seventh Schedule; and
- (c) one Zila Nazim, one Tehsil Nazim or Town Nazim and one Union Nazim.

As the membership indicates that the Commission is independent with adequate representation of all stakeholders. This composition of the Commission ensures that the community has a say in the distribution of the resources through their elected representatives and civil society members.

The functions, duties and powers of the Finance Commission are to make recommendations to the Governor for a formula for distribution of resources including-

- (a) distribution between the Government and the local governments out of the proceeds of the Provincial Consolidated Fund into a Provincial Retained Amount and a Provincial Allocable Amount respectively; and
- (b) distribution of the Provincial Allocable Amount amongst the District Governments, Tehsil and Town Municipal Administrations and the Union Administrations as shares;

The main function of the Commission is to ensure that the provincial resources are distributed in an equitable and transparent manner. A critical function of PFC is to ensure that fiscal transfers are taking place according to the award. Previously the allocation of resources and its distribution was strictly the domain of the Finance Department. Now the citizens have been empowered to oversee the financial affairs of a province.

4.7 OPEN AND TRANSPARENT DECISION-MAKING

The local decision making process should be open and transparent. The way local government makes decisions should be clear and clearly communicated to the community it serves. Local councils need to adopt a public information strategy using different media and reaching all of society.

The identification, appraisal, and approval of development projects before devolution were centralized, leading to projects that had very little relationship with local priorities. The element of community participation and sustainability was missing. The infrastructure would be built but not maintained or poorly maintained. The local government budgeting has been designed to overcome these problems. At the local level there is a need for full transparency in the budget making process and for involving all the stakeholders.

The budget is presented before the commencement of every financial year by the Nazim for approval by the respective Council. It is approved by a simple majority of the total membership of the respective Council. A budget is not approved if the sums required to meet expenditures exceed the estimated receipts. The budget documents contain detailed information relating to the proposed expenditure and the anticipated receipts. In order to ensure judicious use of funds a few conditions have been laid down while preparing the budget.

In every budget a provision is to be made for payment of performance incentive bonuses. Each local government is to make budgetary provisions for honoraria and allowances of the Nazims, Naib Nazims, and members of the Council concerned.

The Budget Rules for Local Governments were developed after extensive consultations with the Provincial Governments. Concept of Draft Budget was introduced for the first time in Pakistan. Under the Budget Rules the provincial Governments have to provide the estimates of shares of local governments for the following year in first week of March. The local governments prepare their budget in March and the Draft Budget is presented in April to the council for discussion. This provides the first opportunity to the Councilors to review the plans for the next fiscal year. From 1st May to 1st June input is obtained from the public and the provincial Government. In June the final figures are provided by the Provincial Governments and the budget is finally approved by the Councils in June. The new Budget Rules ensure that gender disaggregated data is provided in the budgets.

The new and ongoing taxes are segregated to give a clear picture of new taxation. Data is included on the tax rate and the base for each tax. Additional revenue can be generated through new taxes, improving the tax base, or increasing the tax rate/charges/fees etc. and reducing current expenditure.

Each office of the local government is to provide service delivery targets for the following year and progress made in the current year against the target. It is for the first time that target setting for service delivery has been introduced in the government.

The Budget Rules provide a complete system of monitoring the budget during the year. New forms have been included for reporting on monthly basis against the budget. After consolidation at the provincial level a complete provincial picture can emerge.

The lack of integration of the Development and the Current Budget was one of the main weaknesses of the old system. It was difficult to transfer schemes from the development budget to the current budget on completion due to lack of proper coordination. The two aspects were dealt with by different agencies. In the new Budget Rules for the local governments the Budget and Development Committee has been made responsible for the preparation and consolidation of the both the Current and Development Budget of the local government. The functions of the Budget and Development Committee in relation to the Development Budget are as follows-

- (a) approval of all development projects submitted to them by the Planning Officer;
- (b) approval of development projects for inclusion in the Annual Development Programme;
- (c) monitoring progress of development projects;
- (d) ensure the transfer of development projects on completion from the Development to Current budget;
- (e) review post completion evaluation reports; and issue directives wherever needed for removal of hurdles in the execution of development projects.

The functions of the Budget and Development Committee in relation to the Current Budget are to-

- (a) review and approve the Current expenditure;
- (b) review and approve the Statement of New Expenditure (SNE) for the inclusion in the Current budget;
- (c) monitor the Current Budget during the financial year;
- (d) issue directives for removal of hurdles in the execution of the Current budget;
- (e) ensure that the recurring cost of completed development projects are included in the Current budget; and
- (f) ensure that funds are available for recurring costs on completion of development projects.

The composition of the District Budget and Development Committee is as follows:-

- | | | |
|----|----------------------------------|--------------------|
| 1. | Zila Nazim | Chairman |
| 2. | District Coordination Officer | Member |
| 3. | Executive District Officers | Members |
| 4. | Executive District Officer (F&P) | Member / Secretary |

The composition of the Tehsil Budget and Development Committee is as follows-

1.	Tehsil Nazim	Chairman
2.	Tehsil Municipal Officer	Member
3.	Tehsil Officers	Members
4.	Tehsil Officer (Finance)	Member/Secretary

The District Coordination Officer (DCO) and Tehsil Municipal Officer (TMO) act as the Chairman of the respective Budget and Development Committee in the absence of the Chairman. The decisions in such cases will require the approval of the Nazim. The Budget and Development Committees are to hold monthly meetings for reviewing and monitoring the budget of the current financial year. The Heads of Offices, Development and Planning Officer and Budget and Development Committee ensure that-

- (a) details of the recurring expenditure of each development project expected to be completed in the next financial year is communicated to the Finance and Budget Officer; and
- (b) the recurring liability is included in the current budget and Statement of New Expenditure for the next financial year.

The CCBs concept provides another mechanism for introducing transparency. The Citizen Community Boards prepare their projects and after approval by the Council execute them. The CCBs system allows the local governments to compare costs and quality of projects executed by the CCBs and those executed by the offices of the local government. The Citizen Community Board decisions are made through its elected general body and the community.

In addition to the bottom up planning mechanism the Ordinance also caters to development activities through the regular local government system. Under this process, the concept of public participation, transparency and decision making is also adhered to. Schemes are approved through rigorous process initiated at the grass-root level. The community's input is solicited at the planning and design stage. The schemes identified at the Union level are approved by the Union Council through a resolution. A union council consists of 13 members. This provides an opportunity to the members to discuss and debate the priorities of the communities within their jurisdiction. Once approved the prioritized list is forwarded to the Tehsil/Town Municipal Administration and District Government depending the nature of the schemes. Similarly schemes identified by the Tehsil/Town Council are forwarded to the District Government and Union Administration. District Council may also recommend schemes to the Tehsil/Town Municipal Administrations and Union Administrations. Eventually all schemes are approved by the respective Council. This process of extensive involvement of the Councils and the community at all levels of local government provides an excellent framework for ensuring sustainable development.

The focus of the devolution and fiscal decentralization efforts is to improve services. This is to be achieved through a people-centered approach. To manage and control expenditures, the Ordinance provides for a number of checks and balances. The Monitoring Committees of the Councils play an important role in ensuring that the public funds are spent judiciously. The monitoring of the performance of the Local Government is a critical function and has been covered thoroughly in the Ordinance. The Zila Nazim is required to present a report of the performance of the District Government in person to the Zila Council at least twice a year. Likewise, the Tehsil/Town Nazim has to present a similar report to his Council. The DCO has to prepare a report on the implementation of development plans of the District Government for presentation to the Zila Council in its annual budget session.

Accounting

Financial reporting is the basis of decision-making and is one of the most important elements of managerial functions. It enables managers to perform planning for both short term and long term. The financial reports provide data for preparing budget forecasts and cash flow projections. The importance of financial information cannot be underestimated. The Local Governments require financial information for the effective and efficient functioning of the offices.

The accounts of the receipts and expenditures of Local Government are kept in such form and in accordance with such principles and methods as the Auditor General of Pakistan may prescribe with the approval of the President of Pakistan. This is the first time that the accounts of the local governments are to be consolidated at the provincial and national level. It is an important step as the financial data can now be analyzed, examined and scrutinized by researchers and officials. This would bring pressure on local governments to perform at their optimum level.

The District Accounts Officer, Tehsil or Town Accounts Officer and the Union Accountant performs pre-audit of all payments from the Funds of the District, Tehsil or Town and Union, before approving the disbursements of monies. The pre-audit is conducted in accordance with the pre-audit checks prescribed by Auditor General of Pakistan from time to time. The District Accounts Officer consolidates the district accounts with the compiled accounts of the Tehsil, Town and Union Accounts Office.

The respective Accounts Committees of the Councils hold public hearings in which objections to statement of accounts are heard and, if required, appropriate action may be taken. A copy of the Statement of Accounts is to be placed at a conspicuous place for public information. This is fundamental to ensuring transparency in financial matters.

Auditing

The audit is conducted by the Auditor General of Pakistan. The report of the Audit is placed before the concerned Council. If required, a Nazim can request an audit at any time

during the year. The Local Government Commission of a Province can also request for a special audit of the accounts of a Local Government. The reports of the audit are laid before the Council thus providing a mechanism for ensuring transparency.

Enforcement Mechanism

In Pakistan enforcement of laws especially local and special laws has always been difficult due to structural defects in the enforcement mechanism and poor implementation and monitoring mechanism. One exercise showed that there are more than 300 local and special laws. However, only a handful are being actively pursued. The main reason is a lack of a proper system for enforcement. Each law has its own mechanism for enforcement, thus creating multiple agencies and systems, which makes monitoring their enforcement very difficult.

Under some laws inspectors were appointed who would send a complaint directly to the Court while in other cases inspectors would route their complaints through the police. In other cases police themselves could initiate cases. The decisions of the courts were also not properly disseminated to the relevant officers. The process was thus not streamlined and coordination amongst the various offices, police and the court was weak. Indulging in corruption was easy due to unbridled power and loopholes in the enforcement system. Every case was sent to the court resulting in piling of cases in the court and an increase in the backlog. The erstwhile local governments not being part of the mainstream government system did not have much say in enforcement of local and special laws.

In August 2001, a new democratic and public oriented system was introduced in the country for improving service delivery through accountable local governments. Most of the critical functions like education, health, water supply, sanitation, land revenue, spatial planning, land use control and roads were assigned to local governments under the Local Government Ordinance, 2001. As part of their legal responsibility the local governments are responsible for removal of encroachment, ensuring quality of drinking water, protection of the environment etc. For fulfilling this task the local governments were empowered to deal with violation of laws e.g. in case of encroachment they can use as much force as may be required. In addition the local government officials were also responsible to enforce provincial laws assigned to them by the provincial Government. In such cases the officials were answerable to the provincial Governments and not to their local council. In many cases there was an overlapping of provincial laws with local government functions. There was duplication in dealing with offences on the same subject. A few of the important provincial laws being enforced through the local governments are:

1. The Price Control and Prevention of Profiteering and Hoarding Act, 1977.
2. The West Pakistan Food Stuffs (Control) Act, 1958
3. The Punjab Essential Articles (Control) Act, 1973

4. The NWFP Food Stuffs (Control) Order, 1975
5. The Balochistan Essential Articles (Price Control and Anti Hoarding) Regulation, 1953
6. The Punjab Agricultural Produce Markets Ordinance, 1978.

However with the abolishment of the Executive Magistracy the processing of cases in the courts has become slow. The main reason being that the judicial function, which was being performed by the Executive Magistrates has been passed on to the courts without increasing the capacity of the courts to deal with the additional workload.

Although enforcement through the local government system introduced in 2001 had a great potential for effectively enforcing the laws yet it was not being exploited fully. The main reason that the enforcement mechanism although decentralized still operated on the old system involving Federal, Provincial and local governments acting independently. Accountability and responsibility was dispersed amongst many bureaucratic and administrative layers. Keeping in view these issues it was decided to redesign the enforcement system and introduce a simpler but more effective enforcement mechanism with clear lines of responsibility. The system should be such that it would be able to reduce corruption by providing suitable incentives to the inspectors, could minimize the load on the courts and at the same time be effective. After extensive consultations with stakeholders at all levels a new enforcement mechanism was included in the LGOs and promulgated in June 2005 by the provinces.

Salient Features of the New Local Government Enforcement System

A new **Chapter XVI “Local Government Responsibility for Enforcement of Laws”** has been included in the LGO. To bring clarity the offences have now been classified according to the level of local government. The officer responsible for enforcement for each offence has also been specified. The local government enforcement system is based on six schedules of the LGO.

The List of offences with enforcement jurisdiction has been provided in the **Fourth** Schedule, which comprises two parts. The **Sixth** Schedule includes detailed procedure for enforcement. A system of imposing fines through tickets has been provided under the **Eighth** Schedule, which list the offences for which tickets can be issued. The form of the ticket has been specified in the **Ninth** Schedule. Ticketing system is a new innovation, which has been included to simplify and make the enforcement more effective and at the same time reduce the burden on the courts. The **Tenth** Schedule specifies the list of provincial laws, which are to be enforced by the local governments. The **Eleventh** Schedule is the District Enforcement Gazette, which specifies the reporting requirements.

Jurisdiction for Enforcement

The offences to be enforced by the local governments relating to their functions have been provided in the LGO. In addition the local governments have also been made responsible for the enforcement of the some of the important provincial laws. In addition the Federal or Provincial Government may, by notification in the official Gazette, also entrust to a local government the enforcement of any law, which is in force. In case of Punjab for example the following laws have been included in the Tenth Schedule of the PLGO, 2001:

Tenth Schedule the Punjab LGO, 2001

SR	Laws	Enforcement Responsibility
1.	The Punjab Foodstuffs (Control), Act, 1958 (W.P. Act XX of 1958)	City District Government / District Government
2.	The Punjab Pure Food Ordinance, 1960 (W.P. Ordinance VII of 1960)	City District Government / District Government
3.	The Punjab Animal Slaughter Control Act, 1963 (W.P. Act III of 1963)	Tehsil/Town Municipal Administration
4.	The Punjab Regulation and Control of Loudspeakers and Sound Amplifiers Ordinance, 1965 (W.P. Ordinance II of 1965)	City District Government / District Government
5.	The Punjab Essential Articles (Control) Act, 1973 (Punjab Act XVII of 1973)	City District Government/ District Government
6.	The Punjab Fertilizer (Control) Order, 1973	City District Government/ District Government
7.	The Punjab Weights and Measures (International System) Enforcement Act, 1975 (Punjab Act LII of 1975)	City District Government/ District Government
8.	The Punjab Agriculture Produce Market Ordinance, 1978 (Pb Ordinance XXIII of 1978)	City District Government/ District Government
9.	The Punjab Prevention of Gambling Ordinance, 1978 (Punjab Ordinance VII of 1978)	City District Government/ District Government
10.	The Punjab Prohibition of Dangerous Kite Flying Activities Ordinance, 2001 (Pb Ordinance LIX of 2001)	City District Government/ District Government
11.	The Cattle-trespass Act, 1871 (Act I of 1871)	Union Administration
12.	The Dramatic Performance Act, 1876 (Act XIX of 1876)	City District Government/ District Government

Punishments

In the Fourth Schedule the major offences have been provided in Part I of the and are punishable with imprisonment for a term, which may extend upto three years, or a fine, which may extend upto Rs. 15,000 or with both. If an accused does not comply with the directions of the inspector the court may impose a further fine, which may extend to Rs 1,000 for every day for the period the accused has persisted in the offence from the date of its commission.

Offences in Part II are punishable with imprisonment, which may extend up to six months and fine, which may extend upto Rs. 5000 or with both. If an accused does not comply with the directions of the inspector the court may impose a further fine, which may extend to Rs

1000 for every day for the period the accused has persisted in the offence from the date of its commission. A Court will take cognizance only on a complaint made in writing by the Inspector in accordance with the provisions of section 200 of the Code.

Imposition of Fine through Ticketing

A system of imposing fines through tickets is a new feature, which has been included to simplify and make the enforcement more effective and at the same time reduce the burden on the courts. Under Section 141 the offences specified in the Eighth Schedule are in the first instance, liable to fine by issuing a ticket specified in the Ninth Schedule. If an accused repeats the offence within a period of three months for which he was subjected to fine, he will be liable to a punishment of six months and a fine which may extend to Rs 5000 or with both and the court may impose a further fine which may extend to Rs. 200 for every day for the period the accused has persisted in the offence from the date of its commission.

The ticketing system introduced in the country for traffic violations has been a great success. Traffic violators are issued traffic tickets (fixed fines) for minor violation and the amount is deposited in a bank. The traffic police officers also get a share of the total fine collection, which reduces the level of corruption. It is also easier for the driver to pay the fine rather than to visit the courts. Available data shows that fine collection has improved significantly since the system was introduced.

Processing of Cases

The offences in Part I have been made cognizable and information for such cases will be forwarded to the officer incharge of a police station by the concerned Inspector for registration of a case against the accused in accordance with the provisions of section 154 of the Code of Criminal Procedure, 1898 (Act V of 1898), hereinafter in this Chapter referred to as the “Code”. The offences specified in Part-II of the Fourth Schedule and Eighth Schedule are to be tried in a summary manner in accordance with the provisions of section 260 to 265 of the Code, except sub-section (2) of section 262.

Judicial Capacity

The Government is now required by law to appoint one or more Magistrates of the First Class at the headquarters of a tehsil or town, who function exclusively under the Sessions Judge and not perform any executive function, to deal with the cases relating to local and special laws and the offences under this Ordinance.

Appointment and Control of Inspectors

The concerned Nazim on the recommendations by the officers specified in the third column of the Fourth Schedule and fourth column of the Eighth Schedule is to authorize the officials of the local government as Inspectors for enforcement of the offences specified in such

Schedules after the approval of the concerned Council. The officers are the controlling authority and administrative head of the Inspectors. The inspectors will report to the officers for the enforcement functions only no matter to whichever office of a local government they may belong. A Tehsil or Town Municipal Administration may request the District Government for providing district officials required to conduct inspection functions if required.

Procedure for issuing Tickets

If in the opinion of an Inspector, a person is contravening any provision of the law for the first time relating to the offences specified in the Eighth schedule, the Inspector will charge the accused by issuing a ticket for payment of fine specified in the Ninth Schedule. The ticket is to be issued in quadruplicate by delivering three copies to the accused after obtaining his signatures or thumb impression on the fourth copy to be retained by the Inspector for record. The payment of fine may be deposited in the assigned Post Office or a branch of the National Bank of Pakistan or the designated local government accountant located in the area of jurisdiction of the Inspector issuing the ticket within the period of ten days from the date of imposition of fine. The fine will be credited in a separate receipt head of account in the Public Account of the concerned local government. The Bank or Post Office or the designated local government accountant of the respective local government receiving the fine provides two copies of the ticket to the accused with endorsement of receipt of amount of fine and forward one copy to the concerned local Accounts Officer. The accused delivers one copy of duly paid ticket to the concerned Inspector within ten days. The accused may contest the imposition of fine in the Court within the ten days.

Utilization of Revenue Collected through Fines

The total amount collected on account of fines and penalties, including those imposed by the Court, is utilized as under:

- (a) twenty-five percent thereof is to be paid by the accountant of the respective local government as an incentive bonus to the Inspectors according to the amount recovered against the fines imposed by each Inspector. Such payments are included as an addition in the pay slip at the time of payment of pay of the month following the month in which the fines are realized;
- (b) twenty-five percent thereof is to be set apart for improvement of the regulatory functions of the system of imposition of fines, including accounting, record-keeping, computerization, mobility, police functions and any other expenditure relating to adjudication procedure;
- (c) out of the remaining fifty percent thereof, expenditures are incurred on the compilation, printing, distribution and other incidentals required for the District Enforcement Gazette and the balance amount is transferred to the concerned Local Fund at the end of the financial year.

The Principal Accounting Officers of the local governments with the approval of the concerned Nazim incur expenditure from the Public Account relating to the fines.

Court proceedings for Default in Deposit of Fine

The officer designated to enforce offences in the Eighth Schedule is to provide daily to the Court a scroll of all fine tickets issued by Inspectors under his administrative control which remain unpaid on the eleventh day from the issuance of such fine ticket. The Court receiving the scroll will issue summons to the accused forthwith stating date of hearing for summary trial. If on the first date of hearing, the accused appears before the Court and produces the proof of deposit of fine, or unconditionally admits his failure and deposits the fine forthwith alongwith the penalty. Further proceedings against the accused may be dispensed with and no conviction is recorded against him. The penalty is not be less than ten percent and not more than twenty five percent of the amount of fine determined by the Court.

Upon the failure of the accused to appear before the Court in response to summons issued by it, the Court forthwith issues warrants for arrest of the accused and upon the issuance of such warrant the accused will be liable to punishment under clause (b) of sub-section (2) of section 141, with or without surety.

Compounding of Offences

A committee comprising the concerned Nazim as its Chairman, an officer of the concerned Administration and a member of the Council to be nominated by the concerned Council as its members, may, at any time or after the commission of offence but before the conclusion of proceedings in the Court, compound any offence under this Ordinance. An offence is not be compounded where the accused has been served a notice forbidding him from continuing with the violation or contravention of any provision of this Ordinance.

Reporting and Monitoring System

The reporting and monitoring system is provided in the Eleventh Schedule, which comprises three Forms A, B and C. The Inspector is required to maintain a complete record of offences in which tickets were issued, the cases, which were not contested or contested before the Court, complaints were filed for prosecution, the recovery of fines, punishment awarded and similar ancillary matters in Register Numbers 1 to 12 given in **Form-A** of the **Eleventh** Schedule. The Inspector is to furnish monthly reports on the fifth day of each month regarding the enforcement activities within the area of his jurisdiction on the basis of entries of the Register maintained in Form-A to the concerned Nazim, District Coordination Officer and Accounts Officer through his officer in-charge in **Form-B** specified in the **Eleventh** Schedule. The officer in-charge of the police station on the fifth day of each month, through the Head of District Police submit report in **Form-C** specified in the **Eleventh** Schedule in respect of cases registered in the police station on the complaint of an Inspector or a person authorized under this Ordinance and

any warrants issued or arrests caused and the punishments awarded in each case during the preceding month to the concerned Nazim and District Coordination Officer.

The District Coordination Officer will, on the basis of reports received by him compile and cause publication of the monthly District Enforcement Gazette by twentieth day of each month.

Police Support to Inspectors

In addition to the Police support, which may be requested by an Inspector under the provisions of Article 34 of the Police order, 2002 (Chief Executive's Order No. 22 of 2002), a local government can also requisition a Police contingent on deputation or payment of charges in accordance with Article 30 of the said Order.

General Powers of Inspectors

In case of any serious threat to the public health, safety or welfare or danger to life and property, the Inspector in his area of jurisdiction, in addition to imposition of fine or initiating prosecution under this Ordinance has been provided the power to suspend any work, seize the goods, seal the premises, demolish or remove work and issue directions for taking corrective measures in the time specified by him. The Inspector can enter any residential premises save with the permission of the occupier or owner or Court. An Inspector authorized under section 142 has the powers in relation to the offences specified in the Fourth Schedule to-

- (a) issue notices in writing on behalf of the respective local government served, either personally or through registered post with acknowledgement due or by any official of the local government, in order to restrain violations or commission of any offence forthwith;
- (b) initiate legal proceedings in the competent Court where any person fails to comply with the directions contained in the notice issued under clause (a); and
- (c) assist in defending any legal proceedings initiated against the local government.

Rights of Citizen

The new enforcement system does not restrict or limit the right of the citizens or residents of a local area to bring any suit or other legal proceedings against any local government, its officers or other functionaries violating his rights available to him under any law for the time being in force or to claim damages or such other remedy through a suit under the provisions of the Code of Civil Procedure, 1908 (Act V of 1908).

4.8 SCRUTINY OF THE EXECUTIVE

The work of the executive should be subject to scrutiny. Policy determined by the executive/local authority should be open to scrutiny by other elected members and appropriate civil society organisations/ community individuals. Effective leadership should welcome scrutiny both from within the local council and by the wider community. This requires skilled councilors and individuals in civil society able to effectively scrutinize policy and processes intelligently and constructively.

Under the **administration local government system** the Nazim is the Executive Head of his respective local government. The Nazim is supported by the administration of the local government. He and his officers are answerable to the Council. The local government system provides extensive checks and balance on the executives in order to ensure effective utilization of funds and provision of services to the poor. Such checks are exercised at various levels through the institutions established under the LGO. As the local governments operate under the provincial framework, hence the provincial check through the Chief Executive of the Province has been ensured. In addition, public accountability has been ensured through public institutions e.g. Council, LGC and PFC. Public accountability is supported by departmental accountability.

The main thrust of accountability within the local government system is on the involvement of people in the affairs of the local governments, making the decision making process transparent, and holding the executives accountable to the elected representatives. Access to information is critical for such accountability. The Local Government Ordinance, 2001 empowers the citizens to access any information about any office of the District Government, Tehsil/Town Municipal Administration and Union Administration. In general, the LGO requires that the local governments display information about the staffing and the performance of its office at a prominent place for access by the citizens.

Under **section 193** of the Local Government Ordinance, 2001 all Nazims, Naib Nazims, members of the councils, functionaries of the local government and every other person duly authorized to act on behalf of the local governments are public servant within the meaning of section 21 of the Pakistan Penal Code. The elected representatives as well as the functionaries of the local governments can therefore, be penalized under the provisions of Chapter IX (Sections 161-165) of the Pakistan Penal Code.

The definition of mal-administration and misconduct has been included in the LGO to bring clarity to the terms and the concept. The word ‘mal-administration’ under the LGO means and includes-

- (a) an act of omission or commission, a decision, process or recommendation, which
 - (i) is contrary to the law, rules or regulations or is a departure from established practice or procedure; or

- (ii) is arbitrary, biased, discriminatory, oppressive, perverse, unjust or unreasonable; or
 - (iii) is based on irrelevant grounds; or
 - (iv) involves the exercise of powers or the failure or refusal to do so, for corrupt or improper motives, such as administrative excess, bribery, favoritism, jobbery and nepotism; or
- (b) delay, inaction, incompetence, inefficiency, ineptitude or neglect in the administration or discharge of duties and responsibilities; or
 - (c) avoidance of disciplinary action against an officer or official whose action is held by a competent authority to be biased, capricious, patently illegal or vindictive;

The word ‘misconduct’ has been defined as transgression of prescribed Code of Conduct or dereliction from duty or deliberate unlawful behaviour or violation of law or rules or lawful directions or orders of Government and includes-

- (a) gross negligence in performance of duties with manifest wrongful intent or evil design;
- (b) an act that results in wrongful gain to any person by wrongful application of law; or
- (c) making or managing appointment, promotion or transfer of an officer or official in violation of law or rules or for extraneous consideration;

Scrutiny of Officials

The Nazims and Naib Nazims are empowered to take disciplinary action against local government functionaries of their respective establishments and are responsible to the Government for effective implementation of all efficiency and disciplinary rules as prescribed.

Inspection and Supervision

LGO provides for intra-district checks and balances on executives. A Zila Nazim can ask any Tehsil Nazim, Town Nazim or Union Nazim in the district to conduct an enquiry into any matter concerning respective local government and submit the report alongwith the proceedings of the enquiry to him and where he is not satisfied with the conduct of enquiry carried out, he may arrange for an independent enquiry by an officer of the District Government. On the basis of the findings of the enquiry, he advises the concerned Nazim to take appropriate action on the report within thirty days and also place it before the respective Council for information.

Appointment of Internal Auditor

In order to achieve an independent, objective assurance and consulting activity designed to add value and improve the operations of local government and to help the local government to accomplish the objectives by bringing a systematic and disciplined approach by evaluating and improving the effectiveness of risk management, control, and governance processes, Nazim of each District Government and Tehsil/Town Municipal Administration is to appoint an Internal Auditor.

Transfer of the Executive on Unsatisfactory Performance

Power to take action on grounds of in-efficiency and in-discipline is critical for effective personnel management. In case of unsatisfactory performance of the District Coordination Officer, a Zila Nazim can request the Government for his transfer in writing, with a copy to the District Coordination Officer, stating reasons for his actions.

In case the performance of an Executive District Officer is not satisfactory, the Zila Nazim, in consultation with the District Coordination Officer can, request the Provincial Government to transfer such officer from the district stating reasons thereof.

Performance Evaluation Report

The annual performance evaluation report is one of the ways in which personnel are controlled. Under **section 34** a Zila Nazim initiates the annual performance report of the District Coordination Officer. Similarly a Tehsil/Town Nazim initiates the annual performance report of the Tehsil/Town Municipal Officer. In the Union, the Union Nazim records the annual Performance Evaluation Report (PER) of Union Secretaries.

Scrutiny of Nazims

Although the LGO has empowered the Nazims, yet at the same time he has been made fully responsible for his deeds. Every Zila Nazim, Tehsil/Town Nazim and Union Nazim is personally responsible for any loss, financial or otherwise, flowing from the decisions made by him personally or under his directions in violation of any provisions of this Ordinance or any other law for the time being in force and for any expenditure incurred without lawful authority.

Appeals

Citizens have been provided recourse against excesses of the executives. Any person aggrieved by any order passed by a local government or its functionaries, in pursuance of the Local Government Ordinance, 2001 or the rules or bye-laws made thereunder can file an appeal in accordance with the prescribed rules.

Scrutiny by the Council

The Council is the main body, which represents the people. The LGO fully empowers the Councils to take any decision relating to administrative or financial matter relating to the local government. The Councils mandate is to ensure that the funds available to the local government is spent judiciously and in accordance with the priorities of the people in the jurisdiction. They need to ensure that their plans and programmes are implemented by the Nazim and the officials in a cost effective and timely manner. The specific provisions in the LGO are highlighted below.

The LGO empowers the Zila Council to take action against the Zila Nazim. when in the opinion of a member of the Zila Council, there is a reason to believe that the Zila Nazim is acting against the public policy or the interest of the people or is negligent or is responsible for loss of opportunity for improvement in governance and service delivery to the people within the ambit of his responsibilities, he may, seconded by another member of the Council, give notice to move a motion in the Zila Council through Naib Zila Nazim for recall of the Zila Nazim. If such motion is approved by two-third majority of the votes of the total membership of the Council, through a secret ballot to be conducted by the Returning Officer nominated by the Chief Election Commissioner, the Zila Nazim will cease to hold office forthwith and the notification is issued in this behalf by the Chief Election Commissioner accordingly.

Similar procedure for the recall of Tehsil/Town Nazim and Union Nazim has been provided in **sections 63 and 85** respectively.

A Zila Council can set aside a decision of general application taken by Tehsil Nazim, if it considers the same to be against the interest of the people or public policy, through a resolution passed by a simple majority of its total membership. Similarly a Tehsil/Town Council can set aside a decision of general application taken by Union Nazim, if it considers the same to be against the interest of the people or public policy through a resolution passed by a simple majority of its total membership.

The Zila Council can also scrutinize the performance and work of the executives through constituting elected committees of the Zila Council for monitoring the performance of the District Government. These Committees can review the performance reports of the District Government presented by Zila Nazim and require the District Government to undertake measures for good governance and improvement in the delivery of services. Similarly a Tehsil/Town and Union Council can also evaluate their performance through their own committees.

Scrutiny of Executive by the Monitoring Committees of the Councils under Section 138

The Monitoring Committees elected by the Zila Council are responsible for monitoring the functioning of the offices of the District Government and preparing quarterly evaluation reports on the prescribed format. Similarly the Monitoring Committees of Tehsil Council and

Town Council are responsible for monitoring the functioning of the offices of the Tehsil Municipal Administration or Town Municipal Administration.

The Monitoring Committees of Union Council however, are responsible for monitoring the functioning of all offices of the District Government, Tehsil Municipal Administration, Town Municipal Administration and Union Administration for delivery of services within its area and preparing quarterly evaluation reports on the prescribed format.

The reports of the Monitoring Committees, contain evaluation of the performance of each office in relation to-

- (a) achievement of its targets;
- (b) responsiveness to citizens' difficulties;
- (c) efficiency in the delivery of services; and
- (d) transparent functioning.

The Monitoring Committees submit their quarterly reports to the respective Councils, which may through a resolution require the respective Nazim to take necessary action.

The Monitoring Committees function without intruding and interfering in the day to day working of the offices of the local governments. Any member of these Committees violating this requirement of the law may be removed from the Monitoring Committee by the respective Council. Any functionary being aggrieved of any misbehaviour, undue interference, harassment or misconduct by a member or members of a Monitoring Committee can report to the Code of Conduct Committee of the concerned Council and can also invoke disqualification proceedings against such member or members.

The Monitoring Committee can identify inefficiency or corruption of functionaries of local governments and report to the concerned Nazim for appropriate action and remedial measures and the Nazim has to inform the concerned Council within thirty days of the action taken by him.

Number of Union Councils which have constituted Monitoring Committees

Monitoring Committees	Balochistan	NWFP	Punjab	Sindh
Education	62	619	2070	590
Finance	45	435	1696	493
Health	58	614	2053	583
Literacy	45	322	1386	400
Municipal services	48	396	1637	491
Public Safety	44	293	1166	344
Works & Services	45	483	1910	446
Others	14	144	455	171

Number of Reports prepared by Monitoring Committees of Union Councils

Monitoring Committees	Balochistan	NWFP	Punjab	Sindh
Education	267	2550	7108	4125
Finance	86	818	4956	1636
Health	163	2313	7590	6894
Literacy	152	1022	2914	1419
Municipal services	170	1660	6187	4174
Public Safety	120	660	2187	759
Works & Services	124	1338	10448	2706
Others	67	320	1728	476

Scrutiny of Executive by the Accounts Committees of the Council

Accounts Committees are critical for financial management. The respective Accounts Committees of the Councils hold public hearings in which-

- (a) objections to statement of accounts are heard and, if required, appropriate action may be taken; and
- (b) internal and external Audit Reports are discussed for appropriate action.

A statement of monthly and annual Accounts and such other necessary statements are to be placed at a conspicuous place by the local government concerned for public inspection.

Scrutiny by the Zila Mohtasib

In every district the LGO requires that there be a Zila Mohtasib who shall redress citizens' complaints against mal-administration of the holders of public offices in the local governments within the district. The expression 'holders of public office' includes all functionaries of the District Government, Tehsil/Town Municipal Administration, Union Administration, Nazims, Naib Nazims, District Police Officers and officials, members of the Councils and all officials of the Council.

Under the Third Schedule of the LGO, 2001, the Zila Mohtasib shall, on a complaint by any aggrieved person or of his own motion, undertake any investigation into any allegation on the part of any office of local government or its officers or employees. The Zila Mohtasib can also on a complaint by an official employed at any level of local government, undertake investigation into allegation of an unlawful or motivated order passed by a Nazim, Naib Nazim or any superior or supervisory officer.

If the Mohtasib determines that a complaint amounts to mal-administration, he can specify a corrective/ redressal measure and communicate his recommendation to the office concerned along with a copy to the complainant or the office making a reference to:

- (a) consider the matter further;
- (b) modify or cancel the decision, process or recommendation;
- (c) explain more carefully the act or decision in question;
- (d) take disciplinary action against any public servant of any office under the relevant laws applicable to him;
- (e) dispose of the matter or case within a specified time;
- (f) implement his recommendations to improve the working and efficiency of the office, within a specified time; or
- (g) take any other step as deemed appropriate by the Mohtasib.

The office concerned within such time as may be specified by the Mohtasib is to inform him about the implementation of his recommendations or the reasons for not complying with the same. In case of 'non-compliance' of his recommendations, the Mohtasib may refer the matter to the Zila Nazim for implementation.

If the Mohtasib is satisfied that any public servant is guilty of mal-administration, he can recommend initiation of disciplinary action against the concerned official. In case the Mohtasib has reason to believe that any public servant has committed an offence, he can ask the concerned authority to institute criminal proceedings against such official.

The Mohtasib, for the purposes of this Ordinance, has the same powers as are vested in a civil court under the Code of Civil Procedure, 1908 (Act V of 1908), in respect of the following matters, namely:

- (a) summoning and enforcing the attendance of any person and examining him on oath;
- (b) compelling the production of documents;
- (c) receiving evidence on affidavits; and
- (d) issuing commission for the examination of witnesses.

The Mohtasib has the power to require any person to furnish information on such points or matters as, in the opinion of the Mohtasib, may be useful for, or relevant to, the subject matter of any inspection or investigation. If any office, public servant or other functionary fails to comply with a direction of the Mohtasib, he may, in addition to taking other actions under this Ordinance, refer the matter to the appropriate authority for taking disciplinary action against the person who disregarded the direction of the Mohtasib.

Subject to the provisions of the Code of Criminal Procedure, 1898 (Act V of 1898), the Mohtasib or any official authorised by him may:

- (a) inspect any article, book of accounts or other documents;
- (b) take extract or copies of such books of accounts and documents; and
- (c) impound or seal any articles, books of accounts and documents.

The Mohtasib may, where he deems necessary, call upon a public servant, or any office to show cause why compensation be not awarded to an aggrieved party for any loss or damage suffered by him on account of any mal-administration committed by such public servant or office, and after hearing such public servant or office, may award reasonable costs or compensation to the aggrieved person from the public servant or office or may withdraw the show cause notice.

The Mohtasib presents an annual report to the Zila council stating the objectives achieved during a year including the relief provided to the complainants having grievance against maladministration by the district government, and to the Tehsil/Town Council, in relation to

redressal of grievances in respect of maladministration by Tehsil/Town Administration. Simultaneously, the reports are released for publication and copies are provided to the public at reasonable cost. The Mohtasib may also, from time to time, make public any of his studies, research, conclusions, recommendations, ideas or suggestions in respect of any matter being dealt with by the office.

No court or other authority has jurisdiction to grant an injunction or stay or to make any interim order in relation to any proceeding sub-judice before the Mohtasib.

Scrutiny by the Auditor General under Section 115

The statutory audit of all local government by law is to be conducted by the Auditor General of Pakistan. The Auditor General of Pakistan on the basis of such audit as he may consider appropriate or necessary, certifies the accounts compiled and prepared by the respective Accounts Official of the local government for each financial year. The certified accounts with such notes, comments or recommendations as he may consider necessary are submitted to the respective Nazim. The Nazim is required to lay the Audit Report before the Council and the Council refers it for examination to its Accounts Committee.

The Auditor General's functions include:

- (a) audit all expenditure from the local government fund to ascertain whether the monies shown in the accounts as having been disbursed were legally available for, and applicable to, the service or purpose to which they have been applied or charged and whether the expenditure conforms to the authority which governs it;
- (b) audit all transactions of a local government relating to Public Accounts;
- (c) audit all trading, manufacturing, profit and loss accounts of a local government; and
- (d) audit all receipts which are payable into a local government Fund and to satisfy himself that all such receipts which are payable into a local government fund have been properly and correctly deposited and rules and procedures relating to such receipts have been fully observed.

The Auditor General has the authority to audit and report on the accounts of stores and stock kept in any office of a local government and has to-

- (a) inspect any office of accounts, under the control of a local government including treasuries, and such offices responsible for the keeping of initial or subsidiary accounts;

- (b) require that any accounts, books, papers and other documents which deal with, or form the basis of or otherwise relevant to the transactions to which his duties in respect of audit extend, be sent to such place as he may direct for his inspection; and
- (c) enquire or make such observations as he may consider necessary, and to call for such information as he may require for the purpose of the audit.

On the request of a Nazim, the Auditor General is required to conduct a special audit of that local Government's accounts and forward his report to the Nazim who places the same before the Council for necessary action.

Scrutiny by the Provincial Local Government Commission

As stated earlier the Local Government Ordinance, 2001 provides for each Provincial Government to establish a Provincial Local Government Commission. The critical functions of the LGC in terms of scrutiny over the performance of the executives (and elected representatives) working in the local governments are to:

- (a) conduct annual and special inspections of the local governments and submit reports to the Chief Executive of the Province;
- (b) conduct, on its own initiative or, whenever, so directed by the Chief Executive of the Province, an inquiry by itself or through District Government into any matter concerning a local government;
- (c) cause, on its own initiative or, whenever, so directed by the Chief Executive of the Province, a special audit by itself or direct a District Government to arrange a special audit, of any local government;
- (d) submit to the Chief Executive of the Province an annual report on the over-all performance of the district and tehsil level local governments; and
- (e) take cognizance of violations of laws and rules by a local government in performance of its functions.

The local government system introduced in August 2001 led to a new people centered and rights based system of governance. In accordance with the functional separation provided in the LGO the offices of the provincial Government were decentralized to the local governments. The role of the provincial Government after devolution also underwent a significant change. In relation to the devolved offices they are now responsible mainly for policy formulation, laws, rules and standard settings etc. They are no longer responsible for execution of functions assigned to local governments under the law. The devolution of functions requires a

change in the administrative structures at the provincial level in order to make them compatible with the structures at the local level.

Under the recent amendment in 2005 in the LGO the issue of provincial restructuring has been appropriately addressed. The following new section has been added:

“133A. Restructuring of Provincial Departments.- Administrative realignment of Provincial departments shall be made in compatibility with the features of Devolution Plan ensuring the principles of good governance not later than the 31st December, 2005.”.

The main oversight role has now been assigned to the Local Government Commission. To translate it into an effective oversight mechanism the concept of “Regulatory Units” as part of the Local Government Commission has been proposed.

Regulatory units need to be set up, which correspond to the Group of Offices specified in Part C of the First Schedule to the Provincial Local Government Ordinance, 2001. Regularly units are also needed to regulate the activities of Tehsil and Town Municipal Administration and Union Administrations.

The regulatory units are to be under the administrative, financial and functional control of the Provincial Local Government Commission through its Secretary. The secretariat of the Provincial Local Government Commission assists the Secretary in performance of his functions.

Every regulatory unit is to be headed by a Manager who shall be assisted by a suitable number of Deputy Managers and Assistant Managers and such numbers of ancillary staff, as may be determined by the provincial Government. Every Manager is to prepare a calendar of activities of the regulatory unit under his control and submit it to the local governments. The reports of the Managers are to be included in the agenda of the meetings of the Commission.

The regulatory units shall coordinate and keep close liaison with the Provincial Departments in performance of their function. The Provincial Departments shall consult the concerned regulatory unit for performance of its functions relating to policy analysis, capacity building and setting up of standards of service delivery.

Scrutiny of Executive by the Provincial Government

The local governments function within the Provincial framework and have to adhere to the Federal and Provincial laws. The oversight of the provincial Government where provided in the LGO is mainly through the Chief Executive of the Province. The LGO assigns the power to the Chief Executive and also provides a mechanism to exercise that power.

Section 25 of the LGO stipulates that if, in the opinion of the Chief Executive of the Province, an order or decision of the Zila Nazim is not in conformity with law or is against the interest of the people, he may, for the reasons to be recorded and conveyed to the Nazim, suspend such order or decision and refer the matter to the Provincial Local Government Commission for an enquiry to be completed not later than ninety days. The Zila Nazim will be given an opportunity of being heard by the Provincial Local Government Commission before making recommendation to the Chief Executive of the Province. The Chief Executive of the Province may take such action as deemed expedient in the light of such report, including quashment of such order or decision of Zila Nazim. The LGO provides similar procedure for the suspension or quashment of an order or decision of Tehsil/Town Nazim and Union Nazim found to be not in conformity with law or is against the interest of the people.

Section 128 of the Ordinance provides that the Chief Executive of the Province can, by himself or through any officer specifically authorized by him, issue directives in public interest to a Nazim for implementation. If in the opinion of the Chief Executive of the Province, a Nazim is deliberately avoiding or abstaining wilfully or failing to comply with the directions given by the Chief Executive under section 128, he may suspend the Nazim under section 129 for a period not exceeding ninety days for the reasons to be recorded and conveyed to the Nazim. During the suspension period, the Provincial Government will conduct an enquiry through the Provincial Local Government Commission, which shall provide an opportunity of personal hearing to the suspended Nazim. The Commission while submitting its findings/recommendations to the Chief Executive of the Province can also recommend the removal of the Nazim.

4.9 INCLUSIVENESS OF ALL SECTORS OF THE COMMUNITY, PARTICULARLY WOMEN

The process of local decision-making must reflect the social, economic, environmental and cultural needs of the entire community. Decisions should be taken at the level closest to the community to which they relate. Consultation is essential to ensure the needs of the whole community are met, especially with disadvantaged groups including women, youth, minority groups and people with disabilities, whose voices are often neglected. The Commonwealth and the CLGF are committed to a target of no less than 30% of women in decision-making in the political, public and private sectors, and to developing strategies for increasing their active participation. Commitment to downward accountability is critical to citizen engagement. Participatory planning is a tool to ensure inclusive and equitable planning.

The Aberdeen Agenda calls for at least 30% of women in decision-making in the political, public and private sectors, and to developing strategies for increasing their active participation. The local government system in Pakistan has reserved seats in the councils at all levels of local governments for women. It also provides adequate representation to the disadvantage groups like peasants, workers and minorities.

The Zila Council consists of all Union Nazims in the district and the following members elected on the reserved seats namely:-

- (a) women to be thirty-three percent of the total number of the Unions in the district;
- (b) peasants and workers to be five percent of the total number of the Unions in the district, subject to a minimum of one seat; and
- (c) minority communities to be five percent of the total number of the Unions in the district, subject to a minimum of one seat.

The Tehsil Council in a tehsil and a Town Council in a town in a City District consists of Naib Nazims of all Union Councils in the tehsil or town, as the case may be, and the following members elected on reserved seats, namely:-

- (a) women to be thirty-three percent of the total number of the Unions in the tehsil or, as the case may be, the town;
- (b) peasants and workers to be five percent of the total number of the Unions in the tehsil or, as the case may be, the town; and
- (c) minority communities to be five percent of the total number of the Unions in the tehsil or, as the case may be, the town.

The Union Council in each Union comprises the following thirteen members-

- (a) six Muslim members, elected to general seats, including two reserved for women;
- (b) four members, elected to seats reserved for peasants and workers, including two reserved for women;
- (c) one member elected to a seat reserved for minority communities; and
- (d) Union Nazim and Naib Union Nazim elected as joint candidates.

The Aberdeen Agenda encourages consultation especially with disadvantaged groups including women, youth, minority groups and people with disabilities, whose voices are often neglected and their needs are not met. This requirement of the agenda has been addressed by the local government system in Pakistan through the establishment of the office of the EDO Community Development (CD). The role of the EDO (CD) is to encourage community participation and to involve people in the affairs of the local governments. Its main functions are:

Community Organization

- (a) Creation of awareness regarding community welfare issues.
- (b) Help to strengthen community based organization.
- (c) Assist organizations of communities.

Social Welfare

- (a) Creation of social awareness by motivational methods.
- (b) Professional and financial assistance to registered voluntary social welfare agencies.
- (c) Socio-economic development of the people, particularly women.
- (d) Training and rehabilitation of the destitute, under privileged handicapped and chronically sick.
- (e) Eradication of social evils.
- (f) Capacity building of voluntary organizations.
- (g) Organize campaigns and programs against social evils through NGOs.
- (h) Organize relief work through NGOs and Philanthropists.
- (i) Welfare of labour.

Women Development Wing

The Women Development Wing under EDO (CD) has been established to look after women related issues and to promote gender sensitive policies and programmes. It also provides training in income generation skills to women. A major function is to conduct research and surveys about women issues and identify critical areas, which need to be addressed in order to promote the social and economic development of women.

The EDO (CD) also looks after the relief and rehabilitation of the poor and the needy particularly widows and orphans. It provides educational assistance to the poor and deserving students. A critical function is the provision of medical assistance to the poor. The Wing also provides assistance to registered NGOs including those registered under the Voluntary Social Welfare Agencies Ordinance, 1961. It oversees activities relating to charitable purpose. The Wing is responsible for the compilation and collection of data.

Under LGO, 2001 the major change has been to devolve decision making to the citizens at the lowest level. At the lowest level the LGO provides for establishment of “Village and Neighbourhood Councils” to promote participation in the democratic process. The village council is seen as the ‘ideal associative unit for participation’, whilst the union is the ‘ideal unit for the monitoring of services’. The Village and Neighbourhood Council provides the opportunity to reflect the social, economic, environmental and cultural needs of the entire community.

The Village and Neighbourhood councils has between five and eleven members, with Tehsil Nazims arranging elections through secret ballot, the candidate securing the highest number of votes becomes the chairman. In each council, one seat is reserved for women and one for peasants and workers. The term of office of a village or neighbourhood council expires with that of a union council. The village or neighbourhood council has a proactive role to promote citizen involvement, identifying priorities and problems and finding solutions, through CBOs, or organizing local micro-programmes promoting civic education and gender issues, and organizing youth and recreational activities.

Under **section 96** the functions of the Village and Neighbourhood Councils are to-

- (a) develop and improve water supply sources;
- (b) make arrangements for sanitation, cleanliness and disposal of garbage and carcasses;
- (c) develop sites for drinking and bathing of cattle;
- (d) take measures to prevent contamination of water;

- (e) prevent and abate nuisances in public ways, public streets and public places;
- (f) organize watch and ward in the Village and Neighbourhood through unarmed Village or Neighbourhood guards;
- (g) organize Village and Neighbourhood sports teams, cultural, and recreational activities;
- (h) mobilize voluntary resources, including physical labour, property and cash contributions for municipal activities in the Village and Neighbourhood;
- (i) facilitate the formation of co-operatives for improving economic returns and reduction of interstitial poverty and consumer protection;
- (j) report cases of handicapped, destitute, and of extreme poverty to the Union Administration;
- (k) mobilize the community involvement in maintenance of public streets, play grounds, parks, culverts and public buildings, de-silting of canals and watercourses; and
- (l) promote plantation of trees, landscaping and beautification of the Village and Neighbourhood.

The Village Council and Neighbourhood Council is to assist the Union Administration in-

- (a) conducting surveys in the Village and Neighbourhood and collecting socio-economic data;
- (b) selecting sites for providing municipal facilities and services to the Village or Neighbourhood;
- (c) identifying encroachments;
- (d) managing burial places and cremation grounds of the village;
- (e) managing and lighting of Village or Neighbourhood roads, streets, and paths; and
- (f) collecting land revenue and other taxes.

The Village Council and Neighbourhood Council may, with funds raised through voluntary contributions or on self help basis, develop and maintain municipal and community welfare facilities. Village Council and Neighbourhood Council also facilitate creation of the Citizen Community Boards for development and maintenance of municipal and community welfare facilities.

The Village and Neighbourhood Council and the CCBs allow decisions to be taken at the level closest to the community to which they relate. The bottom up planning approach ensures a participatory, inclusive and equitable planning within a district. It also forces downward accountability, which is critical to citizen engagement.

Delivery of justice at the doorstep is an essential element of good governance. Justice through the Courts is very expensive and time consuming especially for the poor and the disadvantaged. The LGO requires that in every Union, a Musalehat Anjuman is constituted for the amicable settlement of disputes amongst the people of the Union. A Musalehat Anjuman consists of a panel of three Musaleheen (Conciliators) one of whom is its Convener, to be selected by the Insaaf Committee of the Union Council, within thirty days after its election, from amongst the residents of the Union who are publicly known to be persons of integrity, good judgement and command respect.

Every settlement brought by Musalehat Anjuman in a case pending before a court is subject to the approval of such court. The expression 'dispute' relates to disputes amongst the individuals, whether of civil or criminal nature. Any court of competent jurisdiction may, in a case where it deems appropriate, refer a matter to the Musalehat Anjuman through the Union Nazim for settlement. The court making a reference to Musalehat Anjuman for settlement of a dispute may lay down the procedure for summoning the parties to the dispute, the terms of reference, the period during which settlement is to be made, the manner in which report of the settlement is to be submitted and such other matters as it may deem appropriate for resolution of the dispute. Where on a reference made by the court, the dispute is settled between the parties, the court may make such settlement as a Rule of the Court.

The Convener of the Musalehat Anjuman conducts the proceedings in an informal manner, as he considers appropriate with the object to bring an amicable settlement between the parties. No legal practitioner is permitted to take part in the proceedings on behalf of any party. The report of the Musaleheen (Conciliators) is recorded in writing and copies thereof are provided to the parties attested by the Secretary of the Union. Some data relating to Insaaf Committees and Musalehat Anjumans is presented below.

Status of Insaaf Committees and Musalehat Anjumans

Province	Union Councils which elected Insaaf Committees	Unions in which Conciliators were selected for Musalihah Anjumans
Balochistan	142	49
N.W.F.P	668	323
Punjab	2485	1390
Sindh	784	362

Province	Cases referred To MA by Court	Cases settled referred by Court	No Of Other Cases Referred To MA
Balochistan	2	2	110
N.W.F.P	367	296	7257
Punjab	2118	1445	15267
Sindh	1182	1167	12617

4.10 ADEQUATE AND EQUITABLE RESOURCE ALLOCATION FOR LOCAL GOVERNMENT TO FULFILL ITS MANDATE

In order to respond to the needs of the local community. Local government must have adequate financial resources to fulfill its mandate and ensure significant autonomy in resource allocation. An independent and secure revenue base is key to sound management of resources, and included in this is the predictability and adequacy of financial transfers from central to local government in terms of timeliness and amounts. Such transfers must be free of political bias, and a local government agreement or legal framework to govern such transfers is often of critical importance. In the distribution of resources, local government must be seen as an integral part of the overall public sector involved in delivering key public services.

The Devolution of political, administrative and financial power to accountable local governments through promulgation of the Local Government Ordinances in August 2001 has been a milestone in the history of Pakistan. An equitable and transparent framework for revenue generation, sharing and distribution are essential pre-requisites for any local government system to function efficiently. Since 2002-2003 the fiscal transfers are taking place through annual Provincial Finance Commission (PFC) awards and the system is working smoothly. The funds are transferred monthly in accordance with the award down to the Union level. Pakistan has over the past 5 years put in place a successful fiscal decentralization system and the experience can be useful for other commonwealth and developing countries.

The **Provincial Finance Commission** is the most important institution, which has been introduced through the local government system. From fiscal year 2002-2003 a transparent, formula-based system determines funds transfers to Local Governments. For this purpose an independent Provincial Finance Commission has been established by each Province.

The Provincial Finance Commission consists of 10 members, including the Chairman. The composition of the Provincial Finance Commission is as under:

- (a) Four members are *ex-officio*, namely:
 - i) the Minister for Finance of the Province, who is the Chairman of the Finance Commission.
 - ii) the Secretary to the Government, Local Government and Rural Development Department.
 - iii) the Secretary to the Government, Finance Department.
 - iv) the Secretary to the Government, Planning and Development Department
- (b) One Zila Nazim, Tehsil or Town Nazim and Union Nazim.
- (c) Three professional members from the private sector persons.

A private sector person has been defined as a person, who is not in the Service of Pakistan or any statutory body or any other body, which is owned or controlled by the Federal Government or the Provincial Government or a Local Government.

The functions, duties and powers of the Finance Commission are to make recommendations to the Governor for:

- (a) A formula for distribution of resources including:
 - i) distribution between the Provincial Government and the Local Governments out of the proceeds of the Provincial Consolidated Fund into a Provincial Retained Amount and a Provincial Allocable Amount respectively; and
 - ii) distribution of the Provincial Allocable Amount amongst the District Governments, Tehsil and Town Municipal Administrations and the Union Administrations as shares; and
- (b) any other matter relating to finance for and of the Local Government referred to the Finance Commission by the Governor, or the Government, or by a Local Government.

The Provincial Allocable Amount and shares of the Local Governments determined by the Order of the Governor are on the basis of actual monthly receipts of the Government. The Order remains in force for a period of three years. The Finance Commission in consultation with the Government also determines the requirements for certification of fiscal transfers. The certification includes the following:

- (a) Provincial Allocable Amount and its calculation;
- (b) transfer of funds in accordance with determined shares to the District Governments, Tehsil Municipal Administrations, Town Municipal Administrations and the Union Administrations in the Province;
- (c) transfer of funds in accordance with the decisions of the Finance Commission on references made to it from time to time; and
- (d) revenues and expenditures of the Government and Local Governments.

The Government or a Local Government may seek redress of grievance relating to any matter connected with fiscal transfers by the Government concerning itself or another Local Government by making a reference to the Finance Commission along with the grounds of such grievance.

The financial position of every District is now clearly indicated in the PFC Award. This also makes transparent for the first time the Provincial share of the total budget as compared to the Districts. It is a revolutionary change, which will have a long lasting impact on development of the country. For the first time all areas have been treated equitably. Over time, with further refinement, it will be possible to have uniform growth throughout the country as the PFC Award

takes into account the under development of an area and tries to bring them at par with the other parts, of a province.

The fiscal transfer formula includes various factors to come up with an equitable distribution of funds. The main factors are population, under-development, fiscal effort, area, revenue generation capacity, and expenditure requirement, besides others. The objectives of fiscal transfers are to provide base line levels for essential services, to encourage revenue generation efforts, to encourage spending in priority areas and to promote efficient spending. An interim formula was allowed in the LGO for the FY 2002-2003. The PFCs are in the process of finalizing their formula for three years. Each provincial Government has developed its own formula for distribution of its resources. The details of fiscal transfers for the provinces are provided in this section.

DISTRIBUTION OF PROVINCIAL RESOURCES

PROVINCIAL FINANCE COMMISSION (PFC)

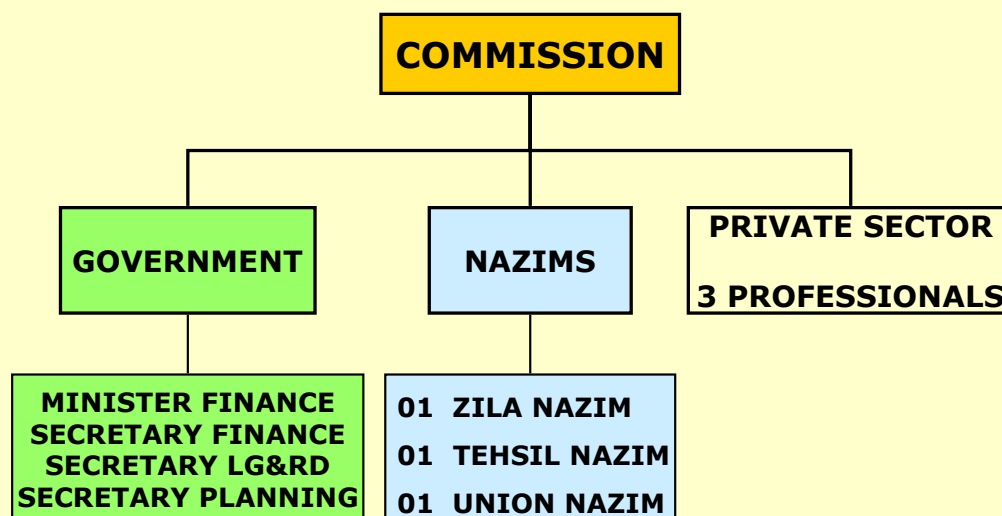
INTER-GOVERNMENTAL TRANSFER MECHANISM IN PAKISTAN

- **A system of distribution of resources between the Federal Government and the federating units and amongst the units.
(Provinces) addressed by NFC.**
- **A system of distribution of resources between Provincial Governments and the Local Governments and amongst the Local Governments addressed by PFC**

PROVINCIAL FINANCE COMMISSION

PROVINCIAL FINANCE COMMISSION

TOTAL MEMBERSHIP 10



PFC - LEGAL PROVISIONS

- **PFC established under Chapter-XII-A, Section 120-A of PLGO 2001**
- **This Chapter gives framework for distribution of revenues between the Provincial Government, the Local Governments, and amongst the Local Governments**

PFC - LEGAL PROVISIONS

- **Proviso: Shares of local governments shall not be less than the funds transferred to LGs in FY 01-02, excluding transfers in lieu of Octroi and Zila Tax**
- **Proviso: monies received by the Government in lieu of Octroi and Zila Taxes shall be added to the Provincial Allocable Amount separately**
- **The PFC may recommend the making of grant-in-aid by the Government to the local governments from the Provincial Retained Amount**

PFC - LEGAL PROVISIONS

- **The recommendations shall be based on the principles of:**
 - Fiscal need**
 - Fiscal capacity**
 - Fiscal effort, and**
 - Performance**

PFC - LEGAL PROVISIONS

- **All decisions by a majority of members present and voting:**
 - Provided that at least a majority of the professional members are present**
 - Provided further that the Chairman shall have the casting vote**
- **Award is valid for a period of three years**
- **Interim Award can be for the period to be determined by the Governor on the recommendation of the PFC**

MECHANISM FOR APPROVAL OF THE AWARD

APPROVAL OF AWARD

- **The Commission forwards recommendations to the Cabinet**
- **Cabinet to provide its views within two weeks failing which the Commission shall make its recommendations to the Governor**
- **The Commission may review the recommendations on receiving the views of the Cabinet, if any, and on finalization of its recommendations shall forward to the Governor**

APPROVAL OF AWARD

- **On receipt of the recommendations of the Commission, the Governor shall, by Order, specify:**
 - the Provincial Retained Amount,**
 - Provincial Allocable Amount, and**
 - shares *inter se* of the local governments**

- **The above shares shall be paid directly to the local government concerned**

APPROVAL OF AWARD **GRANT IN AID TO LGs**

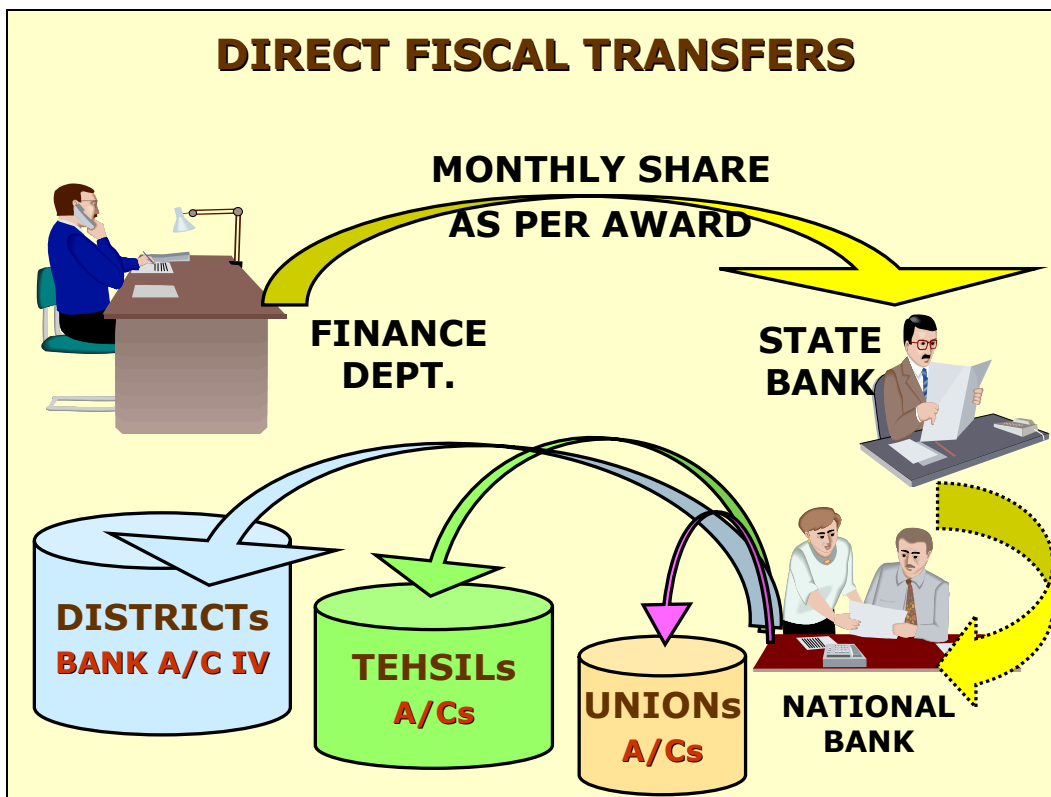
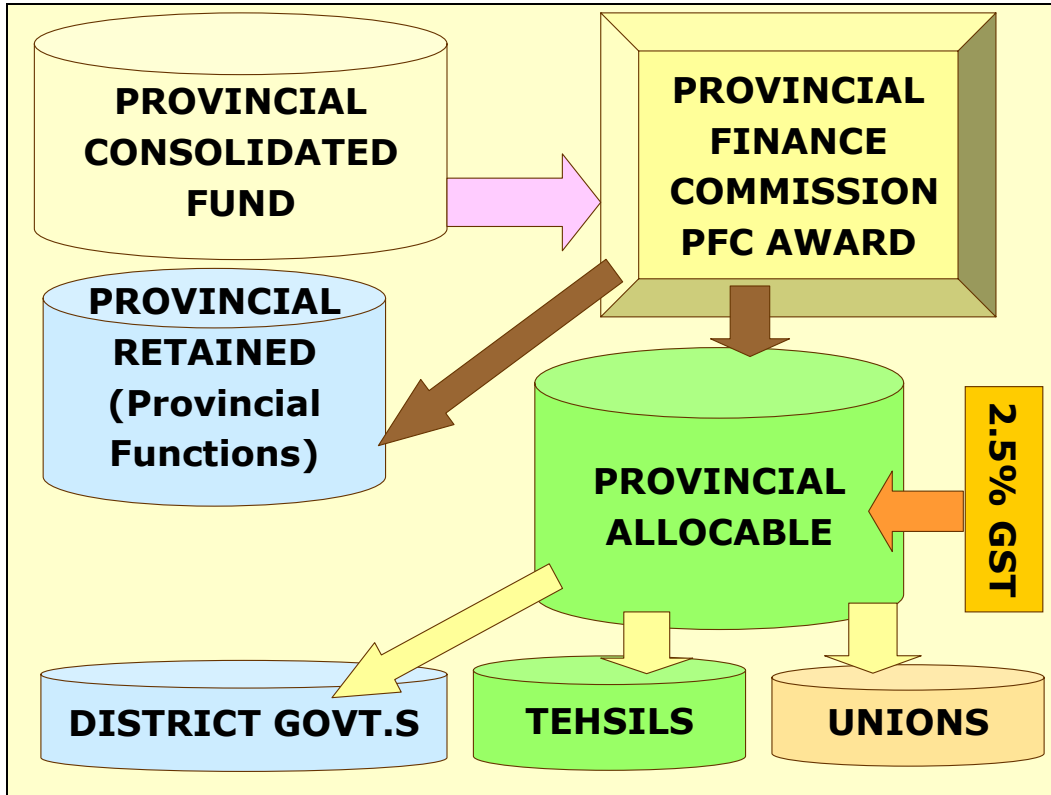
- **The Governor may, by Order, also make grants in aid of the revenues of the local government in need of assistance**

- **Such grants to be an additional expenditure upon the Provincial Consolidated Fund after deduction of Provincial Allocable Amount**

PROVINCIAL CONSOLIDATED FUND

PROVINCIAL CONSOLIDATED FUND (PCF)

- **PCF = All revenues received**
 - + all loans raised**
 - + all moneys received as repayment of any loan**
- **BY THE PROVINCIAL GOVERNMENT**



PUNJAB PFC AWARD

PUNJAB PFC AWARD

(Rs. in billion)

- **Fiscal need is the basis to determine current expenditure**
- **2.5% GST allocated as a straight transfer**
- **Development Expenditure transferred amongst the Local Governments through a formula**

PUNJAB PFC AWARD				
Basis – Fiscal need and Resource availability (current revenue)				
<i>(Rs. in billion)</i>				
	01-02	02-03	03-04	04-05
General Revenue Receipts	120.313	130.725	149.000	167.158
Foreign Assistance	4.284	5.270	8.000	8.740
Grant / Re-imburements	6.914	2.480	0.000	0.000
Total Resource	131.511	138.475	157.000	175.890
Less Development	20.130	20.750	30.000	34.700
Less Capital Deficit / Surplus	(3.244)	(0.650)	2.000	(3.482)
Less Expenditure Common to Province & Districts	29.390	30.100	32.000	41.745
Less Transfer Payment for 2.5% GST (Provincial)	6.160	6.962	9.000	9.000
Divisible Balance	69.747	77.975	84.000	86.971
Provincial Exp. (Current)	35.730	33.930	33.000	30.353
Local Govts. Exp. (Current)	34.017	44.049	51.000	56.618

PUNJAB PFC AWARD				
	BE 01-02	BE 02-03	BE-03-04	BE 04-05
Current Expenditure	34.017	44.049	51.000	* 56.618
2.5%GST (Provincial)	6.160	6.962	9.000	9.000
Development Expenditure	9.000	9.000	9.000	** 11.000
Total	49.177	60.011	69.000	74.618
As %age of Provincial Consolidated Fund	33.80%	39.80%	40.00%	40.45%

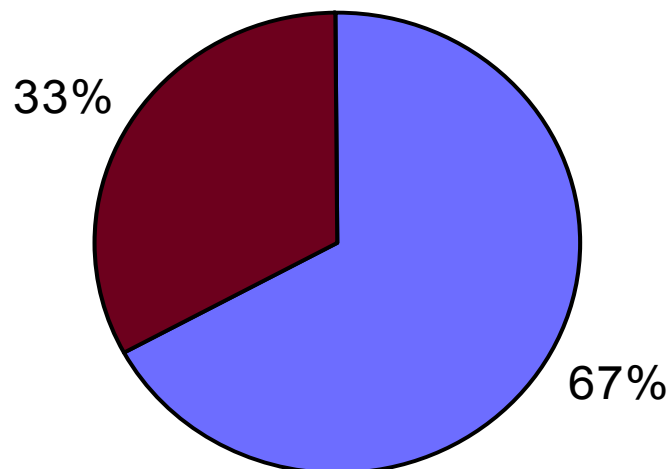
**Formula: (Current expenditure + Development expenditure) divided by
(General Revenue Receipts + Grants/Reimbursements)**

Note: Additional tied development grants would be available from foreign assistance.

* Rs.54.618 budgeted + balance for shortfalls
** Regular = Rs. 9 b Grants = Rs. 2 b

METHODOLOGY OF DISTRIBUTION OF DEVELOPMENT FUNDS TO THE DISTRICTS IN PUNJAB

ALLOCATION OF DEVELOPMENT FUNDS



■ Population ■ Under development

DISTRIBUTION OF DEVELOPMENT FUNDS

- **Development funds distributed as under:**
 - ❑ **District Governments 75%**
 - ❑ **TMA's 25%**

- **Further distribution amongst the TMA's of a District is done according to the population share of each TMA in a district.**

- **Grant in lieu of Octroi (part of 2.5% GST) is transferred to TMA's as straight transfer.**
 - ❑ **During FY 2004-05, 2.5% GST in lieu of OZT was estimated at Rs.6.92 billion.**

DISTRIBUTION OF DEVELOPMENT FUNDS

- **The component of 2.5% GST comprising the abolished Goods Exit Tax (GET) is being released at the rate of Rs.60,000 per month to each Union Administration**

- **For Union Administrations of City District, Lahore the rate is Rs.180,000 per month**

RELATIVE WEIGHTAGE OF DISTRICTS FOR ALLOCATION OF FUNDS - INDICATORS

Sr. No.	District	Population Weightage	Raw Under Development Weightage	Population Adjusted Under Development Weightage
1	Lahore	8.58	0.718	2.56
2	Faisalabad	7.38	0.836	2.56
3	Multan	4.23	1.217	2.14
4	Gujranwala	4.62	1.441	2.76
5	Rawalpindi	4.57	1.795	3.41
6	Bahawalpur	3.31	1.812	2.49
7	Sialkot	3.70	1.880	2.89
8	Sheikhupura	4.51	1.933	3.62
9	Kasur	3.23	2.061	2.76

RELATIVE WEIGHTAGE

Sr. No.	District	Population Weightage	Raw Under Development Weightage	Population Adjusted Under Development Weightage
10	Sahiwal	2.50	2.067	2.15
11	Sargodha	3.62	2.233	3.36
12	R. Y. Khan	4.27	2.280	4.04
13	Vehari	2.84	2.372	2.80
14	Khanewal	2.81	2.502	2.92
15	Okara	3.03	2.590	3.26
16	Jhelum	1.27	2.595	1.37
17	Gujrat	2.78	2.751	3.18
18	D.G. Khan	1.23	2.837	2.63

RELATIVE WEIGHTAGE				
Sr. No.	District	Population Weightage	Raw Under Development Weightage	Population Adjusted Under Development Weightage
19	Jhang	3.85	2.941	4.70
20	Bahawalnagar	2.80	2.949	3.43
21	T. T. Singh	2.20	3.347	3.06
22	Rajanpur	1.50	3.418	2.13
23	Lodhran	1.59	3.531	2.33
24	Chakwal	1.47	3.785	2.31
25	M.B. Din	1.58	3.987	2.61
26	Mianwali	1.44	4.066	2.42
27	Muzaffargarh	3.58	4.169	6.20
28	Pakpattan	1.75	4.240	3.08

RELATIVE WEIGHTAGE				
Sr. No.	District	Population Weightage	Raw Under Development Weightage	Population Adjusted Under Development Weightage
29	Hafizabad	1.13	4.268	2.01
30	Attock	1.73	4.410	3.17
31	Khushab	1.23	4.449	2.27
32	Narowal	1.72	4.650	3.32
33	Bhakkar	1.43	4.792	2.84
34	Layyah	1.52	5.078	3.21
Total		100	100	100

LIST OF INDICATORS FOR DEVELOPMENT RANKING OF DISTRICTS 2002

➤ **Agriculture**

Crops

- **Share of Districts in Value of Major and Minor Crops Output**

Livestock

- **Adult Animal Units Per Capita**
- **Value of Milk Production Per Capita**
- **Poultry Birds and Poultry Production Per Capita**

Forestry

- **Aggregate Score of Compact Plantation and Linear Plantation**

Fisheries

- **Value of Fish Production Per Capita**

LIST OF INDICATORS

➤ **Industry - Aggregate Score of No. of Industrial Units and Per Capita Value Added)**

➤ **Services Sector - Percentage Share of Districts in Services Sector Labour Employment**

➤ **Education - Literacy Rate**

➤ **Health**

- No. of Doctors Per 1000 Population**
- No. of Hospital Beds Per 1000 Population**
- Extent of EPI Coverage**

➤ **Housing**

- Proportion of Kacha-Pacca House**
- Proportion of Households Having Electricity Connection**
- Proportion of Households Using Gas**
- Proportion of Households Having Piped Water Supply**

LIST OF INDICATORS

- **Sewerage and Drainage**
 - ❑ **Proportion of Urban Households Covered by Sewerage and Drainage Scheme**
 - ❑ **Proportion of Villages Covered by Sewerage and Drainage Scheme**
- **Roads and Transport**
 - ❑ **Length of Highway, Provincial, Agricultural and Other Department Provincial Roads/Square Mile of Geographical Area**
 - ❑ **Motorcycles/Car Per 100 Households**
 - ❑ **Other Public Transport (Taxi, Auto-Rickshaw, Buses, Vans, etc.) Per 1000 Population**

SINDH PFC AWARD

SALIENT FEATURES OF PFC AWARDS

- **Provincial Divisible Pool consists of Federal Tax Assignment, Straight Transfers and Provincial tax Receipts as follows:-**

Rs. in million

	BE 2004-05	BE 2005-06
1. Federal Tax Assignment	47,628.588	52,003.800
2. Straight Transfers	25,049.861	29,517.915
Total (1+2)	72,678.449	81,521.715
3. Provincial Tax Receipts	11,080.000	12,710.994
Total (1+2+3)	83,758.449	94,232.709
4. Priority expenditure (-)	23,725.260	26,667.877
5. Net Divisible Pool	60,033.189	67,564.832

SALIENT FEATURES OF SINDH PFC AWARDS

- **Priority expenditure consisting of debt servicing, pension, subsidy and priority program are deducted from divisible Pool to arrive at net divisible pool.**

- **The Net Divisible pool is then divided as follows:**

Rs. in million

Division of Divisible Pool	2003-04	2004-05	2005-06
Provincial Retained Amount	43,501.490	27,014.935	30,404.174
% of total	60%	45%	45%
Provincial Allocable Amount	29,000.993	33,018.253	37,160.657
% of total	40%	55%	55%
Total	72,502.483	60,033.189	67,564.832

SALIENT FEATURES OF SINDH PFC AWARDS

- **The Allocable Amount is being distributed amongst district governments in all Awards on the basis of following criteria**

Rs. in million

Horizontal Distribution among Districts	2003-04	2004-05	2005-06
Population	50.00%	50%	50%
Backwardness	17.50%	17.50%	17.50%
Tax collection	7.50%	7.50%	7.50%
Transitional Transfer	25.0%	25.0%	20.0%
Performance	-	-	5%
Total	100.00%	100.00%	100.00%

SALIENT FEATURES OF SINDH PFC AWARDS

- **In the Awards 2002-04 Local Governments were given 2.5% GST funds in lieu of abolished OZT grant on the basis of their historic shares**
- **The residual amount for TMAs of Rs. 2,130.244 Million is being distributed under three criteria i.e. Population (50%) , Collection (10%), HDI (40%)**
- **In the Awards 2004-05 and 2005-06 every tier of LG is being financed separately from OZT revenue so that fiscal harmony may prevail amongst them. The distribution is as under:**

SALIENT FEATURES OF SINDH PFC AWARDS

Rs. in million

Distribution of OZT	2003-04	2004-05	2005-06
Receipts	6,788.600	10,000.000	11,000.000
District Governments	4,916.367	3,295.416	3,295.416
TMAs (including Residual Amount*)	*1,045.876	5,243.078	6,143.080
UAs	-	1,312.800	1,312.800
SLGB	-	140.000	140.000
Fixed Annual Grant for Six New TMAs	-	7.200	-
Two UAs of Non-TMA Talukas of District Thatta	-	-	7.200
Transition Management Grant	-	-	50.000
Performance based Grant	-	-	50.000

** From Feb 2004 separate releases to TMAs started. The above releases for TMAs in FY 2003-04 are from Feb to Jun 2004*

RELEASES TO LGs - SINDH

- **During FY 2005-06 Finance Department has made following releases to DGs, TMAs, & UAs.**

Rs. in million

➤ **ALLOCABLE AMOUNT (SALARY + NON SALARY)**

- Salary** **28,479.576** (up to June 06)
- Non Salary** **2,841.886** (up to Feb 06)

➤ **O Z T**

- Districts** **2,746.160** (up to March 06)
- TMAs** **5,043.737** (up to March 06)
- UAs** **878.800** (up to March 06)
- SLGB** **100.000** (up to March 06)

ANNUAL DEVELOPMENT PROGRAM ADP - SINDH

S#	Districts	2004-05	2005-06
1	Badin	285.000	342.000
2	Dadu	337.500	265.396
3	Ghotki	255.000	306.000
4	Hyderabad	537.500	328.000
5	Jacobabad	300.000	186.336
6	Jamshoro	-	139.604
7	Karachi	1,162.500	1,395.000
8	Kashmore	-	173.664
9	Khairpur	290.000	348.000
10	Larkana	341.000	213.357
11	Matiali	-	117.000
12	Mirpurkhas	312.500	216.487

ADP - SINDH			
S#	Districts	2004-05	2005-06
13	Naushera Feroz	257.500	309.000
14	Nawabshah	255.000	306.000
15	Sanghar	300.000	360.000
16	Shahdadkot@Kambar	-	195.843
17	Shikarpur	230.000	276.000
18	Sukkur	231.000	277.200
19	Tando Allahyar	-	103.000
20	Tando MuhammadKhan	-	97.000
21	Tharparkar	278.500	334.200
22	Thatta	285.000	342.000
23	Umerkot	-	158.513
TOTAL		2,149.500	6,789.600

DISTRIBUTION OF SDSSP FUNDS

➤ Apart from Allocable Amount and OZT To DGs and TMAs, ADB assisted SDSSP funds are also being released to DGs & TMAs during current FY 2005-06, under following formula:-

- Population **50%**
- Backwardness **30%**
- Equal Share **10%**
- Performance benchmark **10%**

NWFP PFC AWARD

DIVISION OF RESOURCES - NWFP

S #	Provincial Pool	Actual 2002-03	% of Provincial Pool	Actual 2003-04	% of Provincial Pool	Actual 2004-05	% of Provincial Pool	B.E 2005-06
i.	Provincial Pool	35.5	-	34.5	-	45.3	-	56.6
ii.	Provincial Obligatory expenditure (-)	19.1	54%	16.3	47%	18.1	40%	15.8
	Divisible Pool:-	16.4	45%	18.1	52%	27.2	60%	40.8
	Provincial Allocable Amount	9.2	25%	11.5	32%	16.3	35%	24.4
	Provincial Retained Amount	7.2	20%	7.6	20%	10.8	22%	16.3

DIVISION OF RESOURCES - NWFP

- **For horizontal distribution of Provincial Allocable Amount amongst the Districts the Commission has recommended the following formulas.**

S#	Indicators	For Interim Award	For Final Award
i)	Population	50%	60%
ii)	Backwardness	25%	20%
iii)	Lag in infrastructure	25%	20%

DIVISION OF RESOURCES - NWFP

- **A multi-indicator basis used in devising the distribution formula is an attempt to cater for both backward and thickly populated Districts**
- **Indicators like Child Survival and Nutrition, Literacy Drinking Water Per Capita Income, Rural Sanitation, Roads and Communication have been used to cover all the aspects and Geographical location of each District**
- **10% Development funds are distributed amongst the Districts on need basis**

DISTRIBUTION AMONGST TMAs

- **For TMAs the Commission recommended grants in lieu of Octroi out of 2.5% GST received from Federal Government which is distributed amongst the existing TMAs on the basis of their historic collection plus increase determined every year.**
- **New TMAs are provided Rs.1 million grant each.**
- **Cantonment Boards having sharing arrangement with adjoining TMA are also provided share from this grant.**
- **TMAs also receive 30% share of Development funds.**

DISTRIBUTION AMONGST TMAs

- **Union Administration received their share from this grant in lieu of Zila Tax on the basis of their historic share which is distributed on flat rates amongst each Union Administration.**
- **In the final PFC Award separate allocation for Matching Grant has been made which is an incentive for those Districts who generate own resources and take initiative for local development and maintenance of their infrastructure.**

RELEASES AGAINST PFC AWARD

(Rs. in Billion)

Description	B.E. 02-03	Release	B.E. 03-04	Release	B.E. 04-05	Release	B.E. 05-06 (cfy)	Releases (3Q)
Salary	12.3	12.2	13.0	13.8	15.4	15.8	21.0	17.5
Non-Salary	1.1	1.1	1.2	1.2	1.5	1.5	1.6	1.4
Development	0.9	0.9	0.9	0.9	0.9	0.9	0.9	0.5
O&Z Tax Grant	0.9	0.9	0.9	0.9	0.9	0.9	1.0	0.8
Total	15.2	15.2	16.1	16.8	18.7	19.1	24.5	20.2
% of Provincial Pool	44%	100%	43%	101%	41%	103%	43.4%	83%

BALUCHISTAN PFC AWARD

HISTORY

- **So far, four interim PFC Awards have been announced (each for one year)**

1st PFC Award (2002-03)

Provincial Contribution (PC)	=Rs.7240.000 Million
2.5% addl GST	=Rs.1600.000 Million
Provincial Allocable (PA)	=Rs.8840.00 0Million

2nd PFC Award (2003-04)

Provincial Contribution (PC)	=Rs.6880.694 Million
2.5% addl GST	=Rs.1632.683 Million
Provincial Allocable (PA)	=Rs.8513.377 Million

HISTORY

<u>3rd PFC Award (2004-05)</u>	
Provincial Contribution (PC)	=Rs.8611.100 Million
2.5% addl GST	=Rs.1782.3000 Million
Provincial Allocable (PA)	=Rs.10393.400 Million
<u>4th PFC Award (2005-06)</u>	
Provincial Contribution (PC)	=Rs.9800.000 Million
2.5% addl GST	=Rs.2416.000 Million
Provincial Allocable (PA)	=Rs.12216.000 Million

% WEIGHTAGE OF DETERMINANTS

<u>1st PFC Award (2002-03)</u>	
i. Sanctioned strength of employees	100%
ii. Population	0 %
iii. Area	0 %
<u>2nd PFC Award (2003-04)</u>	
i. Sanctioned strength of employees	90 %
ii. Population	10 %
iii. Area	0 %

% WEIGHTAGE OF DETERMINANTS FOR SHARE OF A LOCAL GOVT

<u>3rd PFC Award (2004-05)</u>	
i. Sanctioned strength of employees	85%
ii. Population	10 %
iii. Area	5 %
<u>4th PFC Award (2005-06)</u>	
i. Sanctioned strength of employees	85 %
ii. Population	10 %
iii. Area	5 %

FISCAL TRANSFERS (TYPES)

- 1. Share grants** (from the PA)
- 2. Equalization grants** (from the PR)
(Rs. 400.000 million for 2005-06)
- 3. Performance grants** (from the PR)
(Rs.510.000 million for 2005-6)
- 4. Special package grants** (from the PR or as direct transfers from the Federal Government)
(Rs.2900.000 million from Fed Govt)

OVER-VIEW OF THE ON-GOING AWARD

(all figures in Rs million)

i. Total receipts (PCF) = 29734.195

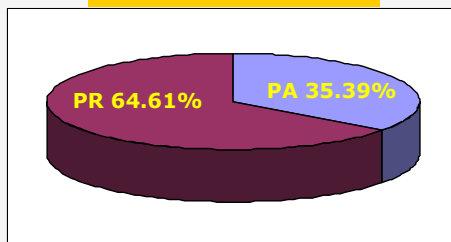
2.5 % GST	=	2416.000
Provincial OSR	=	1611.900
Other Federal transfers	=	25706.295

ii. Net expenditure = 34611.700

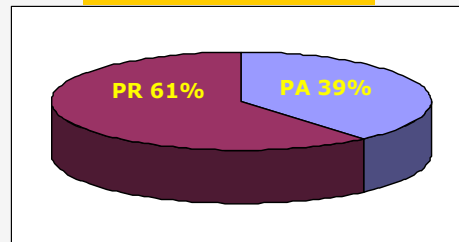
Debt servicing	=	3151.100
Provincial Allocable	=	12216.000
Subsidies, Law & Order,	=	19244.600
Gen Admn & Others		

RELATIVE SIZES OF THE PA & THE PR

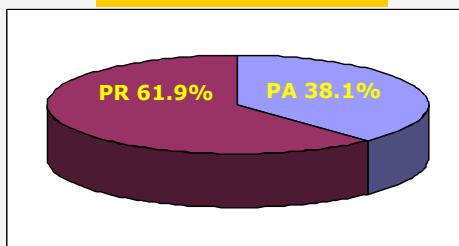
1st PFC Award



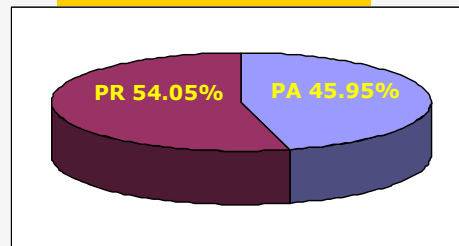
2nd PFC Award



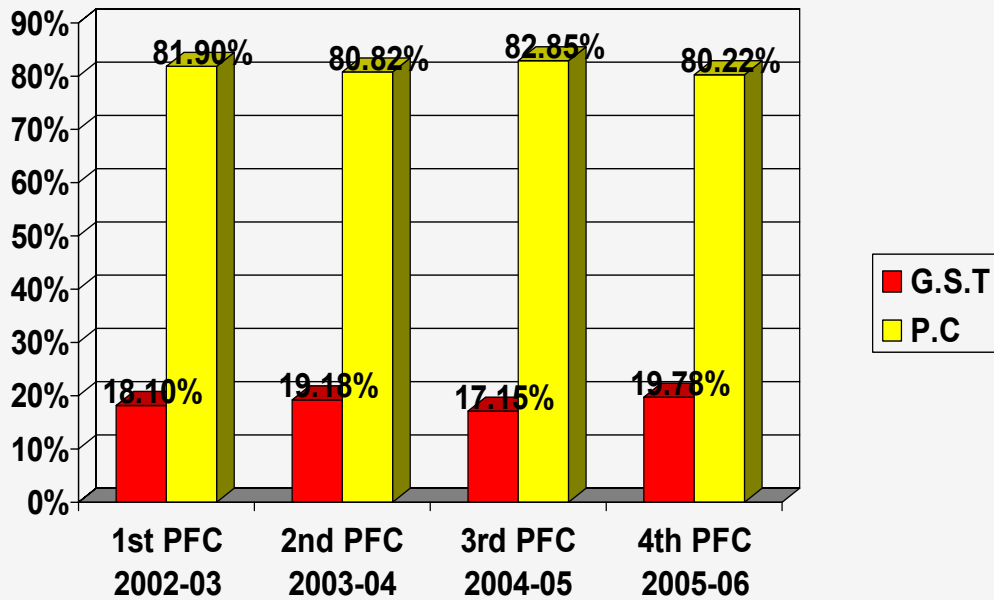
3rd PFC Award



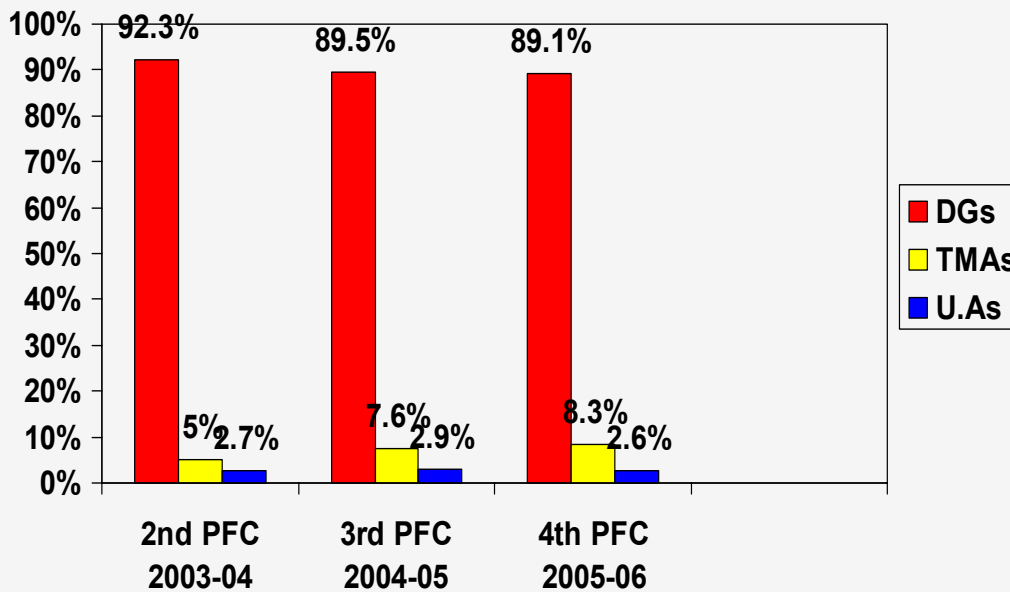
4th PFC Award

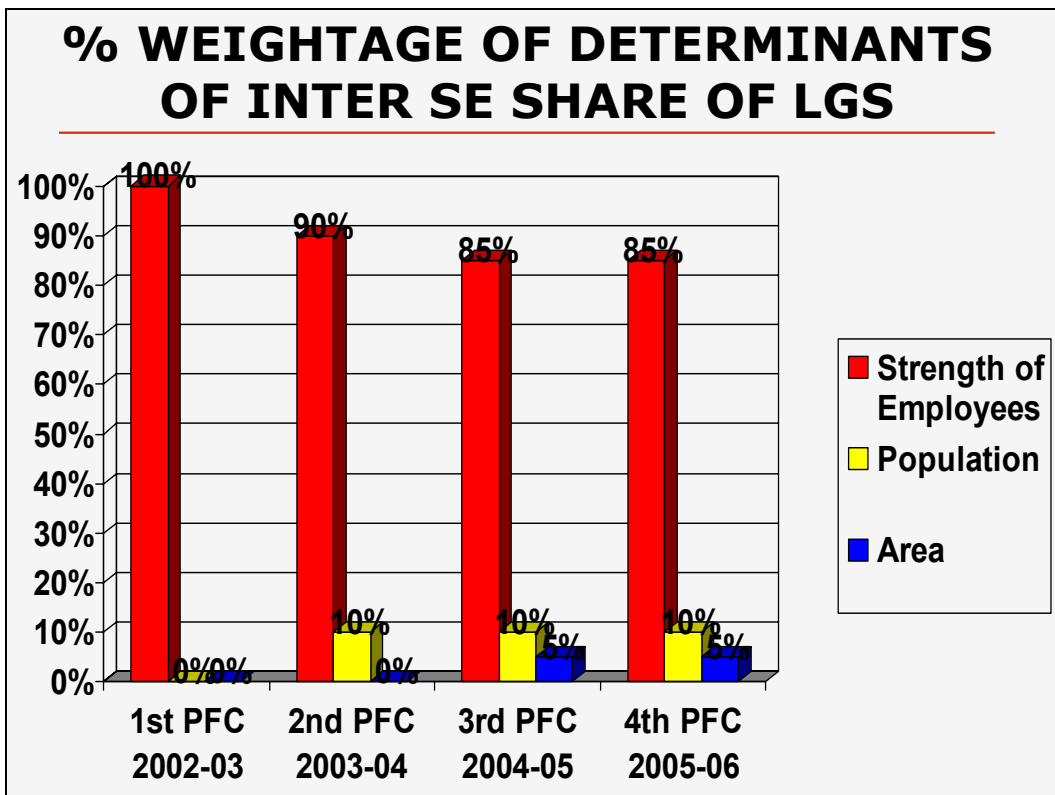
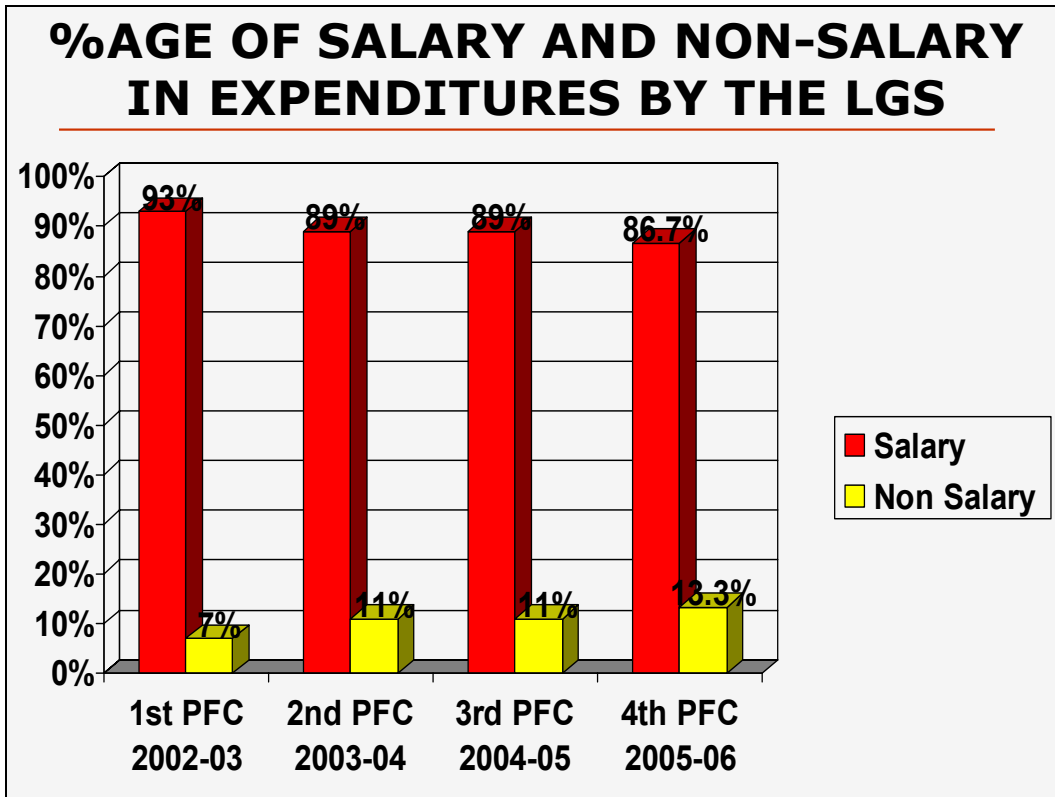


%AGE OF PC & 2.5% GST IN PA OF PFC AWARDS



% SHARE OF DGs, TMAS & UAS IN THE PA OF PFC AWARDS





4.11 SERVICES SHOULD BE ACCESSIBLE TO ALL, REFLECTING THE DIVERSE NEEDS OF THE COMMUNITY

Equitable service delivery: The distribution of services should reflect the diverse needs of the local community. Services provided by local government should be accessible to all. The poor and marginalized, may in certain circumstances, require local government to adopt proactive policies to address their particular needs. There is a balance to be struck between nationally set standards and locally set priorities. Local government should have the space to respond to the needs of its local area.

The district under the Local Government Ordinance (LGO), 2001 comprises three levels of local governments i.e., District Government, TMAs and Union Administrations. At the lowest level there are Village and Neighbourhood Councils. The Union Nazim represents the Union in the Zila Council while the Naib Union Nazim represents the Union in the Tehsil Council. The local government structure is fully integrated. The political linkage ensures full participation of the community representatives in the district at all levels. A Union on average is based on a population size of 20,000 and comprises 13 members. Thus on an average a single member of the Union Council represents a population of approximately 1539. This level of representation adequately reflects the diverse needs of the local community.

At the provincial level equitable service delivery is ensured through the PFC whose main function is to distribute the provincial resources between the provincial and local governments (vertical distribution) and then amongst the local governments (horizontal distribution). Since 2002-2003 the resource distribution is formula based thus ensuring equitable, transparent and predictable transfer of funds to local governments. The PFC mechanism provides for a uniform level of development and provision of services across the province. In addition the urban rural divide has been abolished. This has brought a focus on the rural areas, which were neglected in the past.

Development schemes are identified at local level. The community's input is solicited at the planning, design and implementation stage. The schemes identified by the Union Councils are forwarded to the Tehsil/Town Municipal Administration and District Government relating to their function. Similarly schemes identified by the Tehsil/Town Council are forwarded to the District Government and Union Administration. District Council may also recommend schemes to the Tehsil/Town Municipal Administration and Union Administrations relating to their function. All schemes are approved by the respective Council. This process of identification, approval and processing of schemes ensures participation of the community in provision of services. The community needs and priorities in a district are thus adequately reflected in the decision making process.

The LGO assigns clear responsibilities to the local governments in a district. They have been brought into the mainstream system and focus on social sectors and municipal services. The local governments are fully representative of the community within their jurisdiction. The members are elected through an election process and are accountable to the people.

The main focus of devolution in Pakistan is to improve service delivery. The neglect of the past system of Governance has resulted in Pakistan being bracketed with the countries having very poor human development index. The devolution reforms aim at improving service delivery by putting the people at the center stage. The officials have been made answerable to the elected representatives at the local levels.

The national policies are provided in the Federal and Provincial PRSPs, Medium Term Development Framework 2005-2010 of the Planning Commission, Medium Term Budgetary Framework (3 years period) and the 2030 Vision of the Federal Government. Besides these there are individual sectoral policies issued by the Federal and Provincial Governments. The thrust of all these plans and programmes are primarily to reduce poverty.

Conditional grants through the PFC are also provided to local governments to ensure that the essential activities are adequately funded. The PFC award also provides for performance based grants. Many donors are now using the mechanism of conditional grants and performance incentive grants to complement the efforts of the local governments in improving service delivery.

Local governments formulate their budgets keeping in view the national and provincial policies and local priorities. The local governments are fully empowered to prepare their budgets and spend the funds according to the budget approved by the respective Council.

4.12 CONTINUOUS CAPACITY-BUILDING FOR EFFECTIVE LEADERSHIP INCLUDING THROUGH INTERNATIONAL PARTNERSHIPS.

Building strong local democracy and good governance: Commitment to continuous capacity development of democratic local government. Effective leadership is central to strong local democracy. It is important to strengthen and build the capacity of councilors, officers, and local governance institutions to ensure that local democracy can enable local government to deliver quality services to the local community. Community leadership is an important and growing role for local government in the creation of sustainable communities. There is also a need to promote civic education and build the capacity of civil society organisations to enable them to engage in and participate effectively in the local democratic process. Measuring a council's process and performance in terms of local democracy and governance based on empirical evidence, is key to informing its developmental strategies. There is a role for councils and communities to develop international partnerships. There is a role for international local government organisations, including CLGF, in assisting its members in building stronger local democracy. CLGF should assist in building capacity through a number of means including the exchange of good practice, the dissemination of information and specific technical assistance projects.

Provisions under the LGO, 2001

Capacity building of the human resource is critical for ensuring success of reforms. Therefore, for effective and efficient functioning of the local governments training has been made mandatory under the Local Government Ordinance, 2001 for capacity building and training of elected representatives.

The local government system places a great importance to training and capacity building of elected representatives as well as functionaries of the local governments. The relevant section of the ordinance is as under:

“189. Training.- The Nazims, Naib Nazims and members of the Councils shall attend training courses for such periods and in such manner and at such places as may be prescribed by the Government from time to time.”.

According to the District Governments Rules of Business the District Officer (HRM) under the District Coordination Officer (DCO) is also responsible for the matters pertaining to training of the Local Government functionaries.

Training Programmes for Local Governments

In the light of above mentioned provisions in the Local Government Ordinance, 2001 various training programmes were organized by the Provincial Governments for the elected and non elected local governments functionaries in collaboration with the National Reconstruction Bureau (NRB) during the first term of the Local Governments (August 2001 to June 2005). Details are asunder:

For the second term of the local governments, which has just started since December, 2005 provinces have organized basic orientation courses for the newly elected members..

First Term of Local Governments

For training elected representatives at the three tiers of local government and provincial and local government functionaries various training programmes were organized with the object to build their capacity in implementation of the new Local Government System. Such programmes were held jointly by the NRB and provincial governments. NRB developed training modules and shared these with the provincial governments. Over 2,200 Master trainers and trainers were trained by NRB to handle the country-wide training activity organized by the provincial governments. All Union Councilors attended the orientation workshops as well as 6-day training programmes held across the country. The training programmes were also conducted for indirectly elected Zila and Tehsil level Councilors and Zila/Tehsil/Town Nazims and Naib Nazims. One to two days orientation workshops were arranged in collaboration with the Pakistan Literacy Commission for the elected union councilors. Over 3000 Unions were covered under this programme.

With a view to facilitate the trainers for training of councilors and Nazims at the three levels NRB developed the following training manuals in English and Urdu:

Training Manuals and Guidelines:

1. Councillors' Basic Manual (for facilitators)
2. Councillors' Basic Manual (for Participants)
3. Add-On Module for Facilitators (for Training of Zila/Tehsil/Town Nazims / Naib Nazims and Zila/Tehsil/Town Councilors)
4. Add-On Module for Participants (for Training of Zila/Tehsil/Town Nazims/Naib Nazims and Zila/Tehsil/Town Councilors)
5. Add-On Module on (Skills: Bottom-up Planning, Planning and Budgeting, Citizen Community Boards and Monitoring Committees)
6. Add-On Module on (Cross Cutting Themes: Community Development, Conflict Management, Decision Making, Poverty and Gender, Communication and Team Building)
7. Training Assessment and Feedback Tools (for Zila/Tehsil/Town Nazims/Naib Nazims and Zila/Tehsil/Town Councilors)
8. Training Assessment and Feedback Tools (for Zila/Tehsil/Town Councilors)
9. Facilitators' Guide
10. Training Tool Kit.

NRB provided technical support to the provinces for training of master trainers and trainers. They trained over 119,000 directly elected councillors. The capacity building programmes were successfully conducted by the provincial governments during April-

September, 2001. Training of Nazims/Naib Nazims at District and Tehsil/Town level and indirectly elected councillors at these levels was also conducted.

Six (6) workshops were held at Islamabad, Lahore, Karachi and Peshawar to train 343 provincial government officers for preparing tehsil transition reports. NRB also provided technical support to the provincial governments to organize workshops for the Executive District Officers (Literacy) at the provincial headquarters. A 2-day orientation session for Zila and Town/Taluka Nazims of Sindh was held at Karachi in October, 2001.

Model rules, laws, guidelines were also developed by the NRB for facilitating the local government functionaries in discharge of their duties and responsibilities in efficient and effective manner. Some of such model documents pertaining to administrative and financial decentralization and capacity building are listed below:

Administrative Decentralization

1. Guidelines for Tehsil Transition Teams and Transition Report on Tehsil Municipal Administration
2. Guidelines for Preparing District Government Transition Report (DGTR)
3. Guidelines for City District Transition Teams and Town Transition Teams and Transition Report on City District
4. The SBNP Local Government (Model) Ordinance, 2001
5. The SBNP Local Government Ordinance, 2001 (Urdu)
6. Guidelines for Monitoring Committees of Local Governments
7. Guidelines for Citizen Community Boards (CCBs)
8. The SBNP District Government (Model) Rules of Business, 2001
9. The SBNP Tehsil Municipal Administration (Model) Rules of Business, 2001
10. The SBNP Town Municipal Administration (Model) Rules of Business, 2001
11. The SBNP Union Administration (Model) Rules of Business, 2001
12. Guidelines for Transfer of Functions through Mutual Agreement by Tehsil Municipal Administration to Union Administration
13. Guidelines for Transfer of Functions through Mutual Agreement by Tehsil Municipal Administration to Village and Neighbourhood Councils
14. Guidelines for Transfer of Functions through Mutual Agreement by Union Administration to Village and Neighbourhood Councils
15. SBNP District Government (Model) Rules of Business (Urdu)
16. SBNP Tehsil Municipal Administration (Model) Rules of Business (Urdu)
17. SBNP Town Municipal Administration (Model) Rules of Business (Urdu)
18. SBNP Union Administration (Model) Rules of Business (Urdu).

Fiscal Decentralization

1. Budget Rules
2. Accounts Manuals
3. Guidelines for District Government Accounts under Devolution Plan
4. Guidelines for Provincial/District/Tehsil/Town/Union Budgets under SBNP Local Government (Model) Ordinance, 2001.

Role of National and Provincial Training Institutions

The following local government training institutions in the country are providing training on local governments:

(a) ***Federal Institutions:***

- i) AHK National Centre for Rural Development & Municipal Administration, Islamabad, controlled by the Ministry of Local Government.
- ii) Municipal Training and Research Institute (MTRI), Karachi, controlled by the Ministry of Local Government.
- iii) Pakistan Academy for Rural Development (PARAD), Peshawar (facilities of the Academy are partially shared by the NWFP Government).

(b) ***Provincial Institutions:***

- i) Punjab Local Government & Rural Development Academy, Lalamusa.
- ii) Sindh Local Government & Rural Development Academy, Tandojam.
- iii) Rural Development Academy, Balochistan, Quetta.

The training programmed by the federal and provincial institutions during the first term of LGS are described in the following part of this unit.

Federal Institutions

(a) ***Akhtar Hameed Khan National Centre for Rural Development & Municipal Administration:***

Akhtar Hameed Khan National Centre for Rural Development & Municipal Administration (AHK NCRD & MA) was established as a federal training and research institution in the year 1979 and become operational in 1983. Since its inception, AHK NCRD & MA is regularly organizing training courses, seminars and workshops at national as well as regional level in local government and rural development and allied disciplines for elected representatives, officers from LG & RD and provincial/federal nation building departments, functionaries of NGOs and regional agencies. Training is provided in the areas of:

- i) Local Government System
- ii) Good Governance
- iii) Community mobilization and participation,
- iv) Role of elected representatives in local level planning and implementation,
- v) Role of NGOs in Socio-Economic Development
- vi) Poverty Alleviation through Micro Finance
- vii) Project planning, monitoring & evaluation,
- viii) Management of Rural Development Projects
- ix) Self employment and poverty alleviation,
- x) Gender and development,
- xi) Population,
- xii) Environmental issues and other allied disciplines.
- xiii) Human Resource Management
- xiv) Information Technology (I.T).

In the field of research, it has contributed in various national and regional research studies and prepared research papers on different aspects of socio-economic uplift and rural development in collaboration with CIRDAP, SAARC & AARDO. Besides, catering to the training and research needs of rural development, municipal administration themes, AHK NCRD & MA liaises with various international agencies like Centre of Integrated Rural Development for Asia and the Pacific (CIRDAP), SAARC, APO, UNICEF, ILO, FES, ESCAP & Afro-Asian Rural Development Organization (AARDO), Local Government Training and Researching Institutions (LOGOTRI) in Asia and the Pacific and other such organizations engaged in rural uplift endeavors.

AHK NCRD & MA has so far organized nearly 450 training courses, seminars and workshops in rural development and allied disciplines. More than 12,500 participants attended these courses/ workshops. The participants included elected representatives, officers from Federal, Provincial and District Governments, nation building departments, functionaries of NGOs and International Agencies (primarily from Asian-Pacific Region).

In the field of Research, AHK NCRD & MA has contributed a number of national and regional research studies on various aspects of Local Govt. & Rural Development, besides preparing training support material for the training activities. Recently, the Rural Development Strategy been prepared for the Ministry of Local Govt. & Rural Development.

The Centre has so far organized more than 50 international training courses, workshops, conferences, and seminars on behalf of national and international organizations. Additionally, the Centre's faculty has participated in nearly 100 training programmes and meetings pertaining to its sphere of activities organized by various international organizations held in various countries of the world.

The United Nations Economic and Social Commission for Asia and the Pacific (ESCAP) included NCRD in December 1997 in the Data-Base of Local Government Training and Researching Institutions in Asia and the Pacific titled as LOGOTRI. The Charter of LOGOTRI focuses on the agreement to implement operational, institutional and governmental policies in Local Government and Rural Development. The existing membership of LOGOTRI is 27 institutions including AHK NCRD & MA. Its headquarter is located at Pokhra, Nepal.

(b) ***Municipal Training and Research Institute (MTRI), Clifton, Karachi:***

Municipal Training and Research Institute (MATRI) Karachi is an attached department of Ministry of Local Government and Rural Development, Government of Pakistan. It was established in 1986 and became functional in 1988-89 in its own Campus situated near Clifton beach, Karachi. The Institute imparts training and orientation facilities to elected representatives (i.e. Nazims, Naib Nazims, Councilors), Officers and staff of local Government as well as the representatives of NGOs working in the Health, Education and Social Sectors.

Municipal Training and Research Institute (MTRI) being a Local Government Institute at apex level provides a comprehensive training forum to the participants from all over Pakistan and other regional countries to exchange views and share their experiences and knowledge on the problems and constraints being faced to them in the field of human resource development to managing the local affairs and sustainable development. The training also aims to raise their knowledge and skill and to equip them with modern technology for making positive contribution to the development process carried out in their respective localities.

Objectives of MTRI are:

- i) to provide training/orientation to the elected representatives of local bodies, officers and officials of District Governments under Devolution Plan in order to promote and strengthen the Local Government System;
- ii) to conduct research in the field of Local Government and allied subjects;
- iii) to collaborate with Municipalities of Regional Countries in the field of Training and Research;
- iv) liaison with international Institutions of Local Governments; and
- v) liaison with Regional and International agencies like UNICEF, UNDP, CIRDAP, US-AID, SAARC, AARDO etc.

Major training areas of the MTRI are:

- i) Local Government,
- ii) Financial Management,
- iii) Municipal Engineering,
- iv) Programmes and Extension,
- v) Urban Management,
- vi) Local Level Planning and Appraisal,
- vii) Disaster Management,
- viii) Community Development,
- ix) Women Development,
- x) Office Management, and
- xi) Communication Skills.

The MTRI has so far organized 225 training courses/workshops in which some 7958 participants of National and International level participated. During the 2005-06 a total of 19 courses were conducted which were attended by 650 participants from all over Pakistan.

Summary of Trainings held at MTRI, Karachi, Jan 2004 to June 2006

Years	No of Training Courses / Workshops Conducted	No. of participants		
		Elected	Non-Elected	Total
2003-04	05	103	49	152
2004-05	18	198	283	481
2005-06	19	401	249	650
Total	42	702	581	1283

(c) ***Pakistan Academy for Rural Development, Peshawar:***

Detail of training programmes organized by the Academy during the first term of the new local governments is given in the following table:-

**Training Courses Organized at PARD, Peshawar
in Collaboration with the NRB During 2001 to 2005**

S.#	Course	Period	Number of Persons Trained
1.	Workshops on Devolution of Powers (3 workshops)	2001 – 2004	129
2.	Galvanizing Coordination between Govt. Functionaries & Elected Representatives (12 courses)	2001 – 2004	565
3.	Planning & Management Skills for Local Councilors (5 courses)	2001 – 2004	174
4.	Capacity Building of District Nazims, DCOs Tehsil/Town Nazims (15 courses)	2002 – 2005	392
5.	Enhancing Planning Skills & Managerial Competence in the context of Devolution Plan	2004	20
6.	Fiscal Devolution Resource Mobilization & Expenditure Planning at Local level	2004	30
7.	Gender sensitivity, Project Design & Management in context of Devolution Plan (in collaboration with Women Political School Project, SW&WDD, NWFP)	2005	20
8.	Gender Mainstreaming and Development in context of Devolution Plan (in collaboration with CESSD)	2005	27
9.	Fostering Greater Coordination between Government Functionaries & Elected Representatives in the context of Devolution Plan	2005	34
		Total	1,391

NIPAs and Civil Service Academy

It may be added that in the past three years the Civil Services Academy, Lahore, National Institutes of Public Administration, Lahore, Karachi, Quetta and Peshawar and Pakistan Administrative Staff College, Lahore have also included in their programmes modules/extension lectures relating to the devolution and local government system. On the request of the Provincial Governments, NIPAs also conducted training programmes for Zila and Tehsil/Town Nazims. However, these institutions have specific responsibilities regarding training of government officers. It is, therefore, advisable to develop the physical and intellectual capacities of the existing local government training institutions in the country and also develop an institutionalized mechanism for capacity building of elected and non elected local governments' functionaries at the district and tehsil/town level.

Training of Local Government Functionaries Organized by NIPAs

The contribution by the NIPAs in the capacity building aspect during the first term of the Local Government System is described as under:

National Institute of Public Administration (NIPA), Lahore

The NIPA, Lahore conducted 11 courses which include 3 for Zila Nazims and Naib Zila Nazims and 8 courses for Tehsil Nazim and Naib Tehsil Nazims during the first term of the new Local Government System. The contents of these courses were as under:-

1. Local Government Ordinance, 2001
2. Local Government Finance
3. Planning & Development
 - a. Execution
 - b. Monitoring
 - c. Evaluation
 - d. Bottom up Planning
4. Tehsil/Town Municipal Administration
 - a. Delegated functions
 - b. Structure of Tehsil Administration
 - c. Functions and Powers
 - d. Official Procedures
 - e. Posting and Transfers
 - f. Penalties and legal Proceeding
 - g. Internal Controls
5. Community Development
6. Linkages between Provincial / District /Tehsil / Unions
7. Linkages with Legislators of Federal / Provincial Assemblies
8. Participative Management
 - h. Citizen Community Board
 - i. Musalehat Anjuman
 - j. Mushavirat Committee
 - k. Monitoring Committee
9. Coordination with Police
10. Police Ordinance 2002 and Public Safety Commission
11. Women Issues

National Institute of Public Administration (NIPA), Quetta

NIPA – Quetta has conducted 10 training programs for elected and non-elected local government functionaries of Balochistan, during 2003-2006. The programs covered various functional aspects of local government system including budgeting, project management, team building and gender sensitization. During the period, 259 local government functionaries were trained. The training programs have been sponsored by various international agencies, including UNDP and ADB, working in association with the Balochistan Government.

Following is a year-wise break-up of the training programs:

2003

1. Three days Workshop on “District Budgeting under Devolution” was conducted during December 22-24, 2003 in which 13 local government representatives were trained.
2. Three days Workshop on “District Budgeting under Devolution” was conducted during December 29-31, 2003 in which 14 local government representatives were trained.

2004

3. Four days Workshop on “District /Union Council Budgeting under Devolution” was conducted during February 24-27, 2004 in which 14 union council secretaries were trained.
4. Four days Workshop on “District /Union Council Budgeting under Devolution” was conducted during March 10-13, 2004 in which 16 union council secretaries were trained.

2005

5. Three days Workshop on “Project Management” was conducted during May 26-28, 2005 in which 27 local government representatives were trained.
6. Three days Workshop for “Lady Councilors” was conducted during November 14-16, 2005 which was attended by 25 lady councilors of Balochistan.
7. Two days Workshop for “Nazims, DCOs and Senior Officer of Local Government” was conducted during November 17-18, 2005 which was attended by 50 elected and non-elected representatives of local government in Balochistan.

2006

8. Ten days training program for District Health Management Teams (DHMT) on “Team Building, Planning & Project Cycle” was conducted from February 21 to March 2, 2006 in which 14 Nazims, Naib Nazims, Executive Development Officers (EDOs) and others of Health Department of the Provincial Government of Balochistan were trained. The training program comprised of 5 day classroom activities followed by a 5 day study tour of Lahore, Gujranwala, and Hafizabad. The classroom activities included lectures and discussion sessions of community participation in the health sector gender sanitization, project management, leadership, project cycle and district planning with special reference to women health.
9. Seven days workshop on “Training of the Trainers” (TOT) was conducted during March 13-19, 2006 for 68 participations of various organizations including lady councilors belonging to different districts of Balochistan. The Workshop also

covered topics of gender sanitization and problems of women especially in the rural areas of Balochistan.

10. Three days Workshop on “Gender sensitization” was conducted during March 31 to April 2, 2006 for 18 participants belonging to various local government organizations.

National Institute of Public Administration (NIPA), Peshawar

The NIPA Peshawar conducted following workshops on Gender Mainstreaming:

Sl.#	Description	Period	Participants
1.	1 st Workshop on “Gender Mainstreaming”	August 23, 2005	65
2.	2 nd Workshop on “Gender Mainstreaming”	September 17, 2005	30
3.	3 rd Workshop on “Gender Mainstreaming”	September 27, 2005	30
4.	4 th Workshop on “Gender Mainstreaming”	December 06, 2005	25
5.	5 th Workshop on “Gender Mainstreaming”	December 27, 2005	20
6.	Gender Mainstreaming Project (Batch-I) in computer Skill	May 23 – 26, 2006 (4 day)	21
7.	Gender Mainstreaming Project (Batch-II in computer Skill	May 30 – June, 2, 2006 (4 day)	22
8.	Gender Mainstreaming Project (Workshop) for Zilla Nazim and DCOs (Batch-III)	June 20, 2006 (1 day)	10
9.	Gender Mainstreaming in P&D Project Course on “Gender Analysis/Project Preparation & Appraisal Course (T1-2 day) (Batch-IV)	June 21-22, 2006 (2 day)	22
Total:			245

National Institute of Public Administration (NIPA), Karachi

NIPA Karachi in collaboration with National Reconstruction Bureau (NRB) had developed following fundamental strategies:

- (a) ***Knowledge:*** This deals with devolution structures and systems, devolution plan and framework for governance, etc.
- (b) ***Functions, Roles & Responsibilities:*** It covers the fundamental principles of devolution, basic concepts and description of local structures, functions, roles and responsibilities of Nazims / Naib Nazims and members of Tehsil and Zila Councils etc. It also included learning of various new systems like information, financial, monitoring, planning, participation systems, etc.
- (c) ***Building Specific Skills:*** It includes specific skills of planning and budgeting, monitoring, evaluation and reporting, executive over-sight, maintaining transparency, accountability, team building, conflict resolution crises and conflict management, etc.

- (d) The most crucial and '*soft side*' of learning deals with attitudinal change, perception towards community development, empowerment of communities, and empowerment of vulnerable and marginalized groups (women, children, minorities, workers and peasants).

To develop the capacity of the elected representatives and government functionaries, following objectives were formulated in collaboration with NRB:

- (a) To develop Problem Solving Skills and understanding Good Governance, Community Mobilization and effective Leadership.
- (b) To develop capacity in assessment of Community Needs, Development Vision, Project Formulation, applying skills in Planning and Budgeting, Bottom up Planning, Participatory Development and linking Community Citizen Board (CCB) as a Channel of Community Participation.
- (c) To sensitize the participants on issues related to Poverty, Gender and Decision-Making.

In order to achieve the above-stated objectives, NIPA Karachi conducted a series of courses for the following elected representatives and government functionaries:

- (a) Courses for District Nazims and Naib Nazims of Sindh Government (From 17-22 February 2003)
- (b) Orientation Course for District Coordination Officers of Sindh Government. (From 17-22 March 2003)
- (c) Orientation Course for District Coordination Officers and District / City Nazims of Sindh Government at NIPA Karachi
- (d) Orientation training programme for Taluka/Tehsil/Town Nazims and Naib Nazims of Sindh Government (From 20 January to 22 March 2003)
- (e) Capacity Building Workshop for Zila Nazims / Naib Zila Nazims, Sindh (From 17-19 June 2003)
- (f) Local bodies orientation course for TMOs, TOs, LGSOs and DDOs (From 21 – 26 July 2003)
- (g) Local bodies orientation course for TMOs, TOs, LGSOs & DDOs Phase-II (From 22-27 September 2003)

- (h) Training programme for trainers of Local Government, Sindh (From 21 – 26 July 2003)
- (i) Local bodies orientation course for Executive District Officers (EDOs)
- (j) Local bodies orientation programme for female Councilors.

Provincial Local Government Training Institutions

The overall number of persons trained during the first term of the local governments by the four provincial training institutions are mentioned in the following summary:

Summary showing Persons Trained by Local Government Training Institutions During 2001 to 2005

S.#	Institute	Number of Participants
1.	Punjab Local Govt. Academy, Lalamusa	83,370
2.	Pakistan Academy for Rural Development, Peshawar	1,391
3.	Sindh Local Government and Rural Development Academy, Tando Jam	132
4.	Rural Development Academy Balochistan, Quetta	10,286
Total		95,179

The detail of achievements of these institutions is enumerated in the following paragraphs.

Punjab Local Govt. Academy, Lalamusa

Presently Punjab Local Government Department has only one training institute for local governments located at Lalamusa. The Academy was originally established in 1953 to cater the training needs of the then multipurpose Village-aid workers and supervisors. In 1980, grass root level elected Local Bodies were introduced both in urban and rural areas. This transformation also necessitated the need for greater training of the functionaries of local councils and Local Government Department. Since then the Academy has been catering the training needs of officials (Grade 5 to 17) of the Local Councils, the Local Government Department, etc.

The Academy has three types of clientele namely:

- (a) Elected representatives.
- (b) Employees of Local Government & Rural Development Department.
- (c) Employees of Local Councils and Local Governments.

Detail of training programmes organized by the Academy during the first term of the new local governments is given in the following table:

**Training Courses Organized in Collaboration with NRB
During 2001 to 2005**

S.#	Course	Period	No. of Persons Trained
1.	Training of Trainers	2001 – 2003	641
2.	Training of Union Councilors at Union Councils level	2001 – 2002	75,832
3.	Training of Secretaries of Union Councils	2001 – 2005	1,116
4.	Training of Teachers/ Councilors/ Members of School Councils under School Sanitation and Hygiene Education (SSHE) Program in Collaboration with UNICEF Punjab	2002 – 2004	5,781
Total			83,370

Sindh Civil Services & Local Government Academy, Tandojam

Sindh Local Government and Rural Development Academy was originally established as Village Aid Training Institute in 1953 at Sakrand. In 1956 it was shifted to Tandojam in the present campus. In 1970 the nomenclature of the institute was changed as “**Sindh Local Government Training Institute**”, with the object of catering the training needs of the officers/officials of local councils, constituted under Sindh Peoples Local Government Ordinance 1979. In July 1983 the institute was raised to the status of academy re-naming it as “**Sindh Local Government & Rural Development Academy**”. Now, this institute has been renamed as "*Sindh Civil Services and Local Government Academy, Tandojam*" on 13th February, 2006.

At present, the academy is going ahead, with enlarged scope in the sphere of its activities and a well articulated methodology of training in the field of rural development to the functionaries of Nation Building Departments at Taluka, and district level and elected representatives of local councils and village leaders are being sponsored to acquaint them with the nature and scope of the problem of rural development. The functionaries are being kept abreast of the latest knowledge and skills to improve upon their efficiency. The academy is also conducting different training programs in the disciplines of local government system, financial management and public administration for the employees and elected representatives of local councils.

The main objective of the courses is to acquaint local council employees at various level and elected representatives about the working of local government system and to create in them professional skill and to enhance their capability and aptitudes for better management of local councils. Its activities have been increased manifold under the new setup. The main objectives of the academy are enumerated as under:

- (a) To organize/conduct various pre-Service/In-Service Trainings for the officers / officials of the various departments viz:

- i) Local Government Department
 - ii) Rural Development Department
 - iii) National Building Department (all)
 - iv) Local Councils (all)
 - v) Sindh Councils Unified Grade Officers
 - vi) Non-Government Organizations.
- (b) To organize orientation courses for the Elected Representatives of different tiers of Local Government, in order to provide an understanding of the skills required for smooth running of these basic units of democracy in the province.
- (c) To plan and conduct field problems oriented research in the field of rural development and local government in the province of Sindh, in order to find factual situation in the field for planning future training programmers.
- (d) To assist local leaders of selected villages/local councils in evolving a pattern of community participation in planning and executing development projects, in order to suggest adoption of the same in other areas.
- (e) To assist local government and rural development department in monitoring development projects in order to improve the existing system.
- (f) To give training and conduct department examinations of the members of the Sindh councils unified grade service.
- (g) Academy is to conduct research for improvement of local government system.

The detail of training programmes organized by the Academy during the first term of the new Local Government System introduced in August, 2001 is as under:

**Training Courses Organized in Collaboration with NRB
During 2001 to 2005**

S.#	Course	Period/Year	Number of Persons Trained
1.	Citizen Community Board as a Channel for Development (2 courses)	2004	14
2.	Changing Shades of Budget (2 courses)	2004	26
3.	SLGO-2001 and Rules of Business	2004	7
4.	Office Procedure and Management (2 courses)	2004	16
5.	Effective Management Organization	2004	9
6.	Auditing in Local Government System	2004	5
7.	Basic Principles of Effective Financial Control	2004	4
8.	Project Planning for the Development of Rural Women	2004	8
9.	Crisis Management	2004	7
10.	Qualities of Leadership for Good Governance	2004	7
11.	Standard for International Control in the Local Government	2004	10
12.	Project Planning for the Development of Rural Women	2004	13
13.	Elements of New Local Taxation System	2004	6
Total			132

Sindh Civil Services & Local Government Academy, Tandojam

Training Calendar for the Year-2006
(Special and General Courses)

Sl #	Name of Course	Duration	Clientele	Faculty
1.	Element of New Local Taxation System	03 rd to 05 th January-2006	Nazims, Naib Nazims of UCs and T.M.Os	Financial Management
2.	Decentralization and Local Empowerment	17 th to 19 th January-2006	Member of Councils and Government Functionaries	Rural Development
3.	Office Procedure and Management	24 th to 26 th January-2006	Nazims, Naib Nazims, Secretaries of UCs, Office Superintendent/ Office Assistants of Taluka and District Councils	Public Administration
4.	Interpersonal Communication and Skill Development	14 th to 16 th February-2006	Member of Councils and Government Functionaries	Public Administration
5.	Standards for Internal Control in Local Government	21 st to 23 rd February-2006	Nazims, Naib Nazims of UCs Taluka / Town Officer (Finance)	Financial Management
6.	Effective Management Organization	07 th to 09 th March-2006	Nazims, Naib Nazims of UCs and T.M.Os and Government Functionaries	Public Administration
7.	Auditing in Local Government	14 th to 16 th March-2006	Nazims, Naib Nazims and T.O (Regulation)	Financial Management
8.	Monitoring Committees under New Local Government System	20 th to 22 nd d Marach-2006	Member of Councils and Government Functionaries	Local Government
9.	Importance of Local Government Resources in Community Development	28 th to 30 th March-2006	Member of Councils and Government Functionaries	Rural Development
10.	Budget Analysis	04 th to 06 th April-2006	Nazims, Naib Nazims T.O (Finance)	Financial Management
11.	Masalihah Anjuman	25 th to 27 th April-2006	Elected Members of UCs, Government Functionaries and NGOs	Local Government
12.	Poverty Alleviation Through Community Participations	18 th to 20 th April-2006	Elected Members of UCs, Government Functionaries and NGOs	Rural Development

Rural Development Academy, Quetta

The training programmes organized by the Academy during the first term of the new Local Government System are given in the following table:

Training Courses Organized in Collaboration with NRB During 2001 to 2005

S.#	Course	Period	Number of Persons Trained
1.	Training of Elected Union Councilors at each Union Council	2002 – 2005	8,606
2.	Training of Trainers for the Capacity Building of Zila and Tehsil /Town/ Union Councilors	2002 – 2005	655
3.	Capacity Building Workshop under the LG Plan 2000	2002 – 2005	30
4.	Training of Zila Tehsil/ Town councilors	2002 – 2005	640
5.	Training Course for Capacity Building of Local Government staff under LG Plan 2000	2002 – 2005	265
6.	Pre-service training courses conducted for newly appointed staff in Local Government	2002 – 2005	90
Total			10,286

Role of Development Partners in Capacity Building

Besides Federal, Provincial and Local Governments' efforts in capacity building various international development partners as well as Non-Governmental Organizations are also very active in this regard. Some of the Projects launched by these organization and enumerated in the following part of this unit.

CIDA Support for Aurat Foundation

Aurat Publication and Information Service Foundation (AF) was established in 1986 as a civil society organization committed to women's empowerment in society. The Foundation is a national organization and it has an outreach extending to 97 of Pakistan's 110 districts. Over the last 15 years it has emerged as a major support organization working for social change at the community level. The overall goal of the Foundation is to develop an enabling environment for women's empowerment at all levels through participatory democracy and good governance in Pakistan. Aurat Foundation is working in the following three areas:

- (a) Information to build capacity for decision making and action;
- (b) Capacity building of civil society organizations for participation in social change and governance; and
- (c) Advocacy for developing an enabling environment for women's empowerment

These programmes are being run simultaneously at the community level; the intermediary level and the macro decision-making level of policy-makers and legislators. Main objectives are as follows:

- (a) Assist women to acquire greater control over knowledge, resources and institutions;
- (b) Facilitate women's greater participation in political processes and governance;
- (c) Transform social attitudes and behavior for a responsive and supportive social environment to address women's concerns and development;
- (d) Develop an enabling environment with strong civil society organizations to support women at the community and district levels;
- (e) Undertake advocacy with public servants and representatives for gender-responsive development planning, supportive legislation and increasing women's access to government programmes and services; and
- (f) Develop and strengthen networks of civil society organizations for strengthening citizens' participation in governance.

Some major programmes completed by Aurat Foundation in the recent past include:

- (a) Information for Women's Empowerment: Establishing Information Network Centres;
- (b) Political Education Programme;
- (c) Baseline Report on Women's Participation in Political and Public Life;
- (d) Supporting Democratic Electoral Process in Pakistan;
- (e) Campaign and Capacity Building for Women's Participation in Local Government;
- (f) Advocacy for Action;
- (g) Legislative Watch Program;
- (h) Effective Representation by Women Councilors Project; and
- (i) Women's Participation in Local Government Elections Project.

Community Information and Epidemiological Technology (CIET)

CIET has worked in collaboration with District, Provincial and National Governments and other groups in Pakistan since 1995 to build capacity for evidence-based planning and to strengthen national governance systems. Major Areas of work are as follows:

- (a) Community Voice in Planning;
- (b) Evidence-led Communication Tools;
- (c) Access to Justice for the Women of Karachi;
- (d) Community Monitoring of Public Services and Human Rights: a 10 District Baseline;
- (e) Citizen Community Boards: Local Tools for Governance and Community Monitoring in Pakistan; and
- (f) Social Audit of Abuse Against Women

Communication for Effective Social Service Delivery (CESSD) – CIDA

The CESSD Project is funded by CIDA to improve the quality of basic social services in Pakistan and to increase practical access to and use of these services, especially for women and girls. The purpose of the Project is to improve the effectiveness of social service delivery by improving public awareness and fostering behavioral change and, in the process, strengthening Pakistan's capacity for social communication, community education and community mobilization.

The Project focuses on assisting the Government of Pakistan, within the framework of its devolution process, in strengthening social services delivery at the community level. In its strategy, the Project employs social communications and community participation methodologies.

The Project is being implemented by Co water International Inc., of Canada and operates in four districts of the North West Frontier Province (NWFP) – Abbottabad, Charsadda, Nowshera and Swat. The Project also supports the National Reconstruction Bureau (NRB) in refining and implementing its mass communication strategy.

Decentralization Support Programme (DSP)

The Decentralization Support Programme (DSP) is an initiative of the Government of Pakistan being implemented with the funding support from Asian Development Bank to carry out reforms in the areas of decentralization, fiscal restructuring and local governance. The main Technical Assistances (TAs) are for strengthening of local governments (TA-1 Project) and Governance, Gender Streaming and Social Development (TA-2 Project).

TA-2 Project pertains to governance and gender mainstreaming. It is designed to address the problems of women's participation in politics and government, and the inclusion of women's needs and priorities in decision-making. TA-2 will promote and facilitate women's participation in government planning and decision-making. It will also encourage planning and development that caters to women's needs.

Five Gender Reform Action Plans are under consideration with the federal government and the provinces to put in place essential institutional capacity for ensuring women's developments. In this project the major issue which is addressed pertains to inadequate participation of women in government and inadequate attention to women needs in government level. For this project about \$ 8.3 million have been allocated to promote female participation in government and decision making and to ensure government planning which caters women's needs.

Women Political School Project – Ministry of Women Development

The Ministry of Women Development initiated a project in 2004 on “**Women's Political School (WPS)**” with the collaboration of UNDP and Royal Norwegian Government. The objective of the project is to focus on holistic and integrated capacity development programmes for women councilors, provide adequate and reliable support networks and systems for women participating in political processes and to build the institutional capacities of relevant training institutions, government departments and the civil society. The Ministry has recently organized training programme for women councilors in Rawalpindi. It plans to repeat the same in other districts.

World Bank Assisted Training to Local Government Elected Leadership and State Functionaries Project

In 2001 World Bank provided US\$ 2.95 million equivalent to Rs.189.390 million for this project under IDA Credit No. 2829-Pak. for training of local government elected leadership and state functionaries at various levels through National Reconstruction Bureau and Provincial Local Government and Rural Development Departments. Rural Development Departments at provincial level were the executing agencies while Ministry of Local Government and Rural Development was coordinating agency.

Training to the Union Councilors, Tehsil and District Administration has been accomplished in two Phases under the auspices of National Reconstruction Bureau. About 126,000 elected councilors and govt. functionaries have been trained through this project. The manuals have been prepared for use at District, Tehsil and Union Council levels.

Devolution Trust for Community Empowerment (DTCE)

The Devolution Trust for Community Empowerment (DTCE) is a “not-for-profit” non-governmental organization registered with Securities and Exchange Commission of Government

of Pakistan, under Section 42 of the Companies Ordinance 1984. Its aim is to build a support system by mobilizing all segments of the society through networking and public/private partnerships to empower local communities and ensure their participation in the development process by facilitating the formation of Citizen Community Boards (CCBs) and building their capacity to identify and implement development projects as envisaged in Local Government Ordinance 2001. DTCE's operational model is focused at the Union level, in which partnerships are formed at the grassroots level to involve all direct stakeholders in the CCB mobilization process. It is based on generating incremental value to its project as it not only institutionalizes local level organizations, but also mobilizes and involves all segments of the civil society such as local governments, NGOs, CCBs and donors through its outsourcing and networking approach.

The Local Government Ordinance 2001 has devolved political power, decentralized administrative authority, and enabled community empowerment, but it cannot be consolidated without politically owned institutional revival generating inclusion, integrity, interrelations and responsiveness between government, civil society, communities, and citizens, union by union, village by village, and neighborhood by neighborhood. Community empowerment requires catalytic networks, alliances and partnerships to support core elements envisioned under LGO 2001. DTCE's role is to be a catalyst in this process.

Empowered communities of proactive citizens engaged in self-development with the support of, and working together with, local government and the rest of civil society. DTCE intends to create an enabling environment for citizen participation and community empowerment in all Unions of Pakistan by 2009. The objectives of DTCE are to:

- (a) Promote organization of CCBs and facilitate implementation of community development projects.
- (b) Build capacity of Union officials and community leaders in relation to CCB mobilization.
- (c) Provide micro-seed financing for selected CCB identified community development projects, through cost sharing with local councils & CCBs.
- (d) Put in place incentive and awards systems to give momentum to CCB mobilization campaigns.
- (e) Facilitate establishment of alliances and associations of local governments and local officials to consolidate and strengthen the local government system.
- (f) Conduct social audit across the country to establish a baseline and undertake ends-oriented annual evaluations of the results of the devolution of power process.
- (g) To promote and sustain a viable police-public relationship and behavioral change via incentive systems.

To empower communities at the grassroots level, DTCE is facilitating the formation of CCBs, with the support of Union Councils and their Monitoring Committees. The strategy comprises of clear, simple information and operational systems in a consultative and participatory manner as part of learning processes, in consonance with its being an ends-oriented, information-intensive, knowledge-based organization. Operations are built around the concept of campaigns to increase motivational levels and goal achievement. The strategy entails making the Unions in each Tehsil the focal point for undertaking CCB mobilization campaigns based on Union level CCB Mobilization Plans that directly involve local civil society. This energizes local social capital through public-private sector partnerships that gives impetus to the CCB movement. To have maximum outreach DTCE is accomplishing its mission through a networked movement by outsourcing capacity building activities to partner organizations.

DTCE undertakes capacity building in the following areas:

(a) ***CCB Mobilization Training:***

DTCE as part of its strategy out sources the training of UC elected representatives to national and local NGOs. CCBM Training is focused on the Union Council members and officials i.e. Union Nazim, Union Naib Nazim, all Councilors and the Union Secretaries. However, members of existing CCBs, COs and CBOs and community leaders can also participate as trainees. The union council members at the culmination of the training notify exclusive classification of development schemes, develop and execute Union Action Plan and register CCBs comprising of at least 25 non-elected citizens. This training is held separately in each partner Union Council for two days each.

(b) ***Project Cycle Management Training (PCM):***

DTCE partner CSOs undertake two-day capacity building on PCM. The CCBs during the training produce development projects consistent with the sectoral classification notified by union councils. This training is conducted in clusters of CCB members from 4 to 5 Union Councils.

(c) ***Capacity Building for District & Tehsil Officers:***

DTCE also undertakes the capacity building of government officials regarding CCB registration and activation, so that the whole process is facilitated in the government offices, and thus accelerated. This training is held separately for District level officials in the District Headquarter, and for Tehsil level officials in each Tehsil by the National Commission for Human Development (NCHD) in a partnership agreement with DTCE.

DTCE, RSPN and NCHD are joint partners in the Alliance for Community Empowerment (ACE), under which capacity building of community, local government and district/tehsil government is undertaken.

DTCE has evolved sound partnerships with a number of international donors on the basis of mutual trust and synergies in development interests and with their support it is managing its core project interventions. DTCE appreciates and highly cherishes the financial contributions that have poured in from all its valued donors.

CIDA has provided financial contributions as part of its Democratic Governance Program to support DTCE in its design establishment and operation to ensure civil society is actively involved in developing the capacities of local bodies at union level to facilitate the process of devolution.

The cooperation extended by the UK DFID to the process of devolution has led to UK DFID being viewed as a top priority partner for DTCE. The funding process is in the pipeline and expected to come through in the near future

NORAD is extending financial support to DTCE to achieve its key objective which is to enable and involve the local authorities and communities in rural and urban areas in planning and management of development activities including the provision of public services. The funds are being used to build institutional capacity of DTCE and all the stakeholders and partners, to ensure effective community participation in local governance and to promote and assist voluntary associations of local nazims and councilors at district, tehsil and union levels.

DTCE has outsourced its Social Audit project to CIET Canada. SDC is funding this project. It involves conducting five annual social audits in the key public services sectors to monitor the pace of devolution as well as evaluate whether respect for rights and service delivery are improving. The information generated will feedback into adjusting and reinforcing the devolution process and efforts to improve governance

UNDP is supporting DTCE under its Democratic Governance Thematic Trust Fund (DGTTF). It is assisting the devolution initiatives by providing policy support, technical assistance and mobilizing resources for the implementation of holistic community empowerment framework through LGO 2001.

USAID is funding DTCE's core intervention "Alliance for Community Empowerment", which involves developing partnerships with key NGOs to facilitate its objective of institutional revival through building the capacity of elected representatives, government officials, CSOs and the CCBs to actively participate in the implementation of Local Government Ordinance 2001 (LGO) The alliance comprises of DTCE, RSPN and NCHD.

The lesson learnt from the first term of Local Government System is clear that capacity of local government functionaries is an essential requirement for improved service delivery at the local level.

List of Programs / Initiatives to Support Governance Reforms and Devolution in Pakistan

National Level Programs

1. Program Loan under Decentralization Support Program (DSP-ADB Assisted)
2. Technical Assistance (TA-1) LG Performance Enhancement under Decentralization Support Program (DSP-ADB Assisted)
3. Technical Assistance (TA-2) Gender & Governance Mainstreaming under Decentralization Support Program (DSP-ADB Assisted)
4. Access to Justice Program (AJP) – Program Loan
5. Access to Justice Program (AJP) – TA Loan
6. Project Improvement to Financial Reporting and Auditing Project (PIFRA)
7. Project Improvement to Financial Reporting and Auditing Project(PIFRA-2)
8. Support to DTCE (Devolution Trust for Community Empowerment)
9. Support to Good Governance Group (G-3)
10. Support to Democratic Electoral Process in Pakistan (SDEPP)
11. Strengthening Electoral Processes to Ensure Greater Participation in Pakistan (SDEPP Phase II)
12. Gender Support Program (GSP)
13. Gender Justice through Musalehat Anjuman (A project under GSP)
14. Women’s Political School (WPS) – A project under GSP
15. Women’s Political Participation Project (W3P)
16. Pakistan Poverty Reduction Support Credit Project

17. Democratic Governance Program (DGP)
18. Effective Representation by Women Councilors
19. Systems Oriented Health Investment Program(SOHIP)
20. Strategic Objective Grant Agreement (SOGA) for Governance
21. Supporting innovations in districts program (included in SOGA)

Provincial Programs: Punjab

1. Punjab Resource Management Program (PRMP) – Program Loan
2. Punjab Resource Management Program (PRMP) – TA Loan & Grant
3. Punjab Devolved Social Services Program (PDSSP) Program Loan
4. Punjab Devolved Social Services Program (PDSSP)
5. Sustainable livelihood in Barani Areas (formerly Barani Development III)
6. Southern Punjab Basic Urban Services Project
7. Punjab Education Sector Adjustment Credit (Punjab Education Sector Reform Program)
8. Punjab Education Sector Adjustment Credit-2 (Punjab Education Sector Reform Program)
9. Devolution Support Project (a major project within CIDA Democratic Governance Program i.e. DGP)
10. Punjab initiatives Fund (FIP) –another project within CIDA democratic Governance Program (DGP)
11. Strengthening Decentralized Local Government in Punjab-Faisalabad District Project
12. JICA Devolution Support Project

Provincial Programs: NWFP

1. EIROP (Essential Institutional Reforms Operationalization Program) – First Phase

2. EIROP (Essential Institutional Reforms Operationalization Program) – Second Phase
3. NWFP Structural Adjustment Credit (SAC)
4. NWFP SAC II
5. NWFP Urban Sector Development Project
6. Communication for Effective Social Service Delivery (CESSD)

Provincial Programs: Sindh

1. Sindh Devolved Social Services Program (SDSSP) – Program Loan
2. SDSSP- TA (Establishment of Program/Local Support Units for Implementation of Sindh Devolved Social Services Program)
3. Sindh Structural Adjustment Credit (SAC) Project

Provincial Programs: Balochistan

1. Balochistan Resource Management Program (BRMP)- program loan
2. Balochistan Resource Management Program- Technical Assistance (TA)
3. Balochistan Tribal District Management Project (BTDMP)
4. Support to Devolution Reforms in Balochistan (SDRB)

Establishment of School of Local Governance

The establishment of a national level School of Local Governance is one of the major effort to institutionalize the trainings for local governments on sustainable basis. The Cabinet decided in its meeting held on 6th November 2002 that a School of Local Governance to be established to undertake research on local government issues; and to organize training and capacity building programmes. The AHK National Centre for Rural Development and Municipal Administration, Islamabad and Municipal Training Research Institute (MTRI) Karachi to be declared as campuses of the School.

Need for establishing the School of Local Governance

The Local Government Plan, 2000 has introduced a three-tier federated system of local governments at the district level. Through the Local Government Plan the local governments and the police have been reconstructed. A large number of district level provincial government

offices have been decentralized to the district governments. At the Tehsil/Town level, Tehsil/Town Municipal Administrations have been set up to perform municipal functions. The Union Administrations have been created in the Unions across the country. Full acquaintance of the elected and non-elected functionaries with the new system, legislations, rules, procedures etc., is a prerequisite to the consolidation of the system and key to improved service delivery. This, in turn, requires an institutionalized system of capacity building. Therefore, the establishment of SLG is considered essential.

An institutionalized system of capacity building is required to achieve the following objectives:

- (a) develop an integrated and cost effective approach for capacity building of elected and non-elected local government functionaries and cover all clusters of trainees located in different parts of the district;
- (b) develop research based training material both for the trainers and trainees in collaboration with the research institutions within and outside the country;
- (c) make best use of assistance offered by the regional and international agencies like UNICEF, CIDA, JICA, WSP, ADB, WORLD BANK, UNDP, etc., for upgrading the facilities of the existing local government training institutes and ensuring full utilization of these facilities to cater to the requirements of the new system of governance; and
- (d) maintain database of trained and untrained local government functionaries in the country.

To fulfill the above stated objectives it has been proposed that the National School of Public Policy (NSPP), Lahore may set up the School of Local Governance (SLG), as one of its units with the headquarters at Lahore. The School may be the focal organization to attain the objectives as stated above. The federal institutions i.e., AHK National Centre for Rural Development & Municipal Administration, Islamabad and Municipal Training and Research Institute (MTRI), Karachi, may function as the campuses of the School. The following academies have been proposed to be notified as affiliated campuses of the School:

- (a) Punjab Local Government & Rural Development Academy, Lalamusa.
- (b) Sindh civil services Local Government Academy, Tandojam.
- (c) Pakistan Academy for Rural Development (PARA), Peshawar.
- (d) Rural Development Academy, Balochistan, Quetta.

The head office of the School has been proposed to consist of a Curriculum & Programmes Wing, Research Wing and an Administration Wing.

The Curriculum & Programmes Wing will be responsible to develop the curricula and ensure that all training material is within the framework of devolution philosophy. The Wing will coordinate with the various institutions and programmes for uniformity in training materials. It will also ensure that adequate number of Master Trainers is available in the institutes. In collaboration with the provincial governments and district governments the School will:-

- (a) organize the training programmes for local councillors with the assistance of Master Trainers;
- (b) assess the training needs of the respective District Administration, Tehsil/Town Municipal Administration, Union Administration;
- (c) design and organize courses in the required fields and subject along with the number of local government functionaries trained and who require training; and
- (d) carry out post training impact study for refining the training modules, approach and methodology.

The Research Wing in collaboration with the concerned organizations will undertake research on the local government issues and provide research-based material to the Curriculum & Programmes Wing for revision, updating and enriching the curricula and training material. The Administration Wing will deal with the administrative / financial matters of the school.

The following courses are planned for local governments:

Orientation Course for Elected Representatives

Orientation course on the new local government system under the SBNP Local Government Ordinance, 2001 for the members of the various councils elected through the local governments' elections are to be organized by the provinces. The duration of the course may be one week. The number of target participants is over 85,000 (elected members).

Training of Local Government Functionaries

Approximately 26584 number of District Coordination Officers (DCOs), Executive District Officers (EDOs), District Officers (DOs), Deputy District Officers (DDOs), Tehsil Municipal Officers (TMOs) and Tehsil Officers (TOs), etc will need training in general management practices and specialized training in their respective subject areas. The detail showing category-wise estimated number of officers at district and tehsil levels are shown as under:

**Estimated Number Of Officers in BS-16 and above in all Districts and Tehsils/Towns
Under the New Local Government System**

Sl#	Description	Total Number of Districts/Tehsils/Towns	Total Officers
DISTRICT ADMINISTRATION RELATED OFFICES			
1	DCOs	8 City Districts x one DCO in each District 102 Districts x one DCO in each District	8 102
2	EDOs who are head of their respective group of offices	8 City Districts x 13 groups of offices 102 Districts x 10 groups of offices	104 1020
3	District Officers who are officer in-charge of their respective office of the concerned group	8 City Districts x 53 offices in each district 102 Districts x 46 offices in each District	424 4692
4	Deputy District Officers who are incharge of district offices at tehsil/town level	62 Towns x 52 service delivery offices 334 Tehsils/Talukas x 45 service delivery offices	3224 15030
TEHSIL/TOWN MUNICIPAL ADMINISTRATION RELATED OFFICES			
1	TEHSIL/TOWN MUNICIPAL ADMINISTRATION OFFICERS	62 Towns x one TMO in each Tehsil/Town 334 Tehsils/Talukas x one TMO in each Tehsil/Taluka	62 334
2	TEHSIL/TOWN OFFICERS	62 Towns x 4 town officers in each Town 334 Tehsils/Talukas x 4 Tehsil/Taluka Officers	248 1336
TOTAL			26584

In the first two years the School will organize short term training programmes for the elected and non elected functionaries of the local governments, members and chairpersons of the District Public Safety & Police Complaints Commissions as well as of other public institutions established under the Police Order, 2002. It will also organize training programmes for the officials of local governments in the sector specific areas and office management. The main areas of training of the elected members of the local governments and the functionaries may as under:

*Strengthening Decentralization in Pakistan and the Commonwealth
Local Government System and the Aberdeen Agenda*

Proposed Training Programmes

S #	Description	Target Participation	Proposed Duration
1	Orientation course on the new local government system	All the elected members of the local governments	One week
2	Fiscal Planning, Local Governance and Public Sector Management	DCOs, EDOs, DOs/TOs	Two weeks
3	Sector Specific Training to improve the service delivery and management of resources	District Officers/Dy. District Officers/TMOs/TOs	2-4 weeks supported with field-based assignments
4	Planning, budgeting, financial and procurement management, Accounting and Financial Management for Non-Accountants	Zila and Tehsil Nazims/Naib Nazims. EDOs/District Officers/Dy. District Officers and TMA officers	2-4 weeks
5	Skills development of Secretaries Zila Councils, Tehsil/Town Councils and Union Councils	Council officers/Secretaries of Zila Councils, Tehsil/Town Councils and Union Councils	One week
6	Sector Specific Training in the following areas of TMAs:		
a	Integrated Municipal Services	All TMA officers	Two weeks
b	Municipal Regulations	-do-	-do-
c	Infrastructure & Services with reference to water supply and sanitation and post completion Operation & Management of various schemes	TOs (I&S), TOs (Planning)	-do-
d	Spatial Planning, Land use control, building control, etc and coordination with reference to development planning	TOs (I&S), TOs (Planning)	-do-
e	Budget, Revenue and Accounting aspects of TMAs	TOs (Finance)	-do-
7	Capacity Building of Provincial Local Government Commissions, Finance Commissions, Public Safety & Complaints Commission	All officers of the respective commissions	One week
8	Capacity building of CCBs members in conduct of CCBs' business and Rules	All members of CCBs	One week
9	Capacity building of members of various committees	Members of various Members of the Monitoring Committees, Mushawrat Committees, etc.	One week
10	Capacity building of Local Government Officials dealing with enforcement of local and special laws	EDOs, TOs (Regulations), Secretary Union Councils	One week
11	Police rules, regulations, operations, control, etc., and role of various Commissions and Committees	Police officers and members of various commissions and committees	Duration depends on the nature of course
12	General Management (Leadership, Motivation, Human Relations Approaches, HRD, etc) to develop leadership capabilities	Zila and Tehsil Nazims/Naib Nazims. EDOs/TMOs	2-4 weeks with case studies
13	Orientation course on computer application in the official business, office automation, MIS, etc.	Zila and Tehsil Nazims/Naib Nazims. EDOs/District Officers/Dy. District Officers/TMOs/TOs	2-4 weeks
14	TQM and performance based reporting, Monitoring & Evaluation	EDOs/District Officers/Dy. District Officers/TOs	2-4 weeks

At the later stage the School may have the status of a degree awarding institution in the related areas. Training and development of local government functionaries shall be a regular feature, therefore the following approach has to be followed in planning training programmes for various levels of employees of the local governments:

- (a) ***Preliminary training*** would be required for new entrants in the service in the District Administration and TMA/ Union Administration in various functional areas of the respective district/tehsil/town/union level offices. This type of training can be organized at the District/Tehsil/Town Headquarters;
- (b) ***Short term specialized*** training in the respective fields at the specialized training institutions established by the provincial level departments can be organized for the EDOs, DOs, DDOs. and TOs; and
- (c) ***Executives Development Programmes*** for a shorter duration say four weeks may be arranged for Zila/Tehsil/Town Nazims, DCOs, EDOs and TMOs to enhance their leadership capabilities. These programmes can be arranged with the local and foreign training institutions of national as well international repute.

5. INTERNATIONAL EXPERIENCE AND LOCAL GOVERNMENT SYSTEM IN PAKISTAN

The 15 country reports of ESCAP (Economic and Social Commission for Asia and the Pacific) show that local governments reforms are needed in several areas. The following issues comprise an agenda for further action in order to improve the performance of local governments:

Local Autonomy

The key issue in reforming local government systems to meet the challenges of globalization are still determining the appropriate level of government to which functions and powers need to be devolved. In undertaking local government reforms, governments are still considering the ways in which to tackle the following issues:

- (a) adhering to principles of autonomy, subsidiarity and proximity;
- (b) strategies for pursuing the above principles inline with the national and state context and policies; and
- (c) reinventing the roles of governments in the rising trends towards privatization and corporatization.

Legislation

The country reports show that in many countries local governments are formed or disbanded at the whims of higher levels of governments. This is detrimental to the development of local institutions. Local governments are the corner-stone of democracy and governance reforms should take this aspect of local government into consideration in the process of reform. Legislative reforms should ensure that:

- (a) In accordance with the principle of subsidiarity, local governments, as they are the levels of government closest to the people, should be allowed to exercise public responsibilities.
- (b) Basic powers and responsibilities of local government are prescribed by the constitution or by law.
- (c) The role of local governments needs to be clearly specified: whether local government is to be predominantly the provider of services or regulator and enabler of the private sector to provide services. This determination of the role of the local government has considerable implications on the administrative structures of local government.

Central-Local Relations

Country reports indicate that except for a few countries most have highly centralized systems of government, with either the central or the provincial/state level governments exercising extensive control over local government. This has resulted in weakening the institution of local government. Reform would include overcoming the reluctance of central governments to relinquish power. Governments should ensure that:

- (a) Responsibilities provided to local governments are accompanied by full powers and resources to meet those responsibilities and that these are not just line agency functions but aim towards true local self-government.
- (b) Local governments clearly understand that attaining freedom from central control must not be pursued as a means of reducing public accountability. In fact, steps should be taken to make local government more responsive and accountable to the local population.

Administration

Local government administration is another key aspect of reforming local governments. Administrative reforms are needed in three areas, namely division of powers between the local legislative and executive branches, reform of the administrative structure of the executive branch, and, coordination with other governmental authorities and levels. The following principles should be followed while undertaking administrative reforms:

- (a) While determining the structure of local government, a balance is maintained between the legislative and executive branches of local governments. The legislative branch should have appropriate powers to hold the executive branch accountable, particularly when the executive branch is appointed as is the case with the city-manager system.
- (b) Administrative reforms should aim towards making local governments more accountable and responsive to the local population rather than to higher levels of government.
- (c) Higher levels of government control and interfere in local government affairs through various administrative measures. In some countries this includes deputing staff from higher levels to serve in key position in the local government for specified periods of time. This undermines the continuity, efficiency and transparency of decision making in local government administration. Local governments should be enabled to explore new administrative arrangements and staffing options.

Local Government Finance

One of the key components to strengthen local governments is local government finance. Governments must make a commitment to:

- (a) Study ways and means to increase the income of local governments that are independent and reliable.
- (b) Develop mechanisms, which ensure greater local financial autonomy, as well as, responsibility and accountability to local communities.
- (c) Provide more attention to develop and adequately maintain infrastructure.

Human Resources

One of the key constraints to good governance at the local level is the lack of qualified human resources. Human resources capacities of local governments need to be strengthened concurrent to institutional capacity-building. Human resources development is dependent on three factors: recruitment of **appropriate staff, training to build their capabilities, and retaining their services.**

- (a) Appointments must be related to the specific functions of the local governments and must be made transparently and on merit.
- (b) Just as appointing good staff is essential, so too is the ongoing training and equipping. Local governments, particularly smaller local governments, often do not have the capacity for training their staff. Collective training mechanisms either through local government training institutions or through local government associations should be strengthened. Greater education and training is needed for elected members of local governments.
- (c) Local governments should not only appoint good staff and provide ongoing training and development. They must instigate mechanisms to keep good staff.

Public Participation

Another prerequisite for good governance is public participation in decision-making and public oversight over government functions. The country reports show that, at the local level, the level and extent of public participation varies considerably. Some countries allow full participation while others do not allow any participation. The country reports also show that there are several channels of participation. The most common and traditional system is the fully or partially elected local council. In some countries organized civil society groups interact with local governments on issues of interest to them. Systems need to be devised to provide all groups in society a voice in decision-making.

One common feature of all local governments seems to be the low number of women and minority representatives in local councils. Another issue seems to be the representation of the urban poor in the local councils. Countries may wish to consider the following recommendations while examining policies to increase public participation at the local level:

- (a) Other countries could consider taking the lead provided by India and Bangladesh in reserving special places for women, minorities and disadvantaged groups in local elections.
- (b) Central governments espousing participation as a basic element of democracy should devise innovative techniques of civic engagement and equip them to participate.
- (c) Social inclusion and gender equality are major issues that need to be researched in greater detail.

Salient features of Reforms and Local Government System in Pakistan

In Pakistan the reforms introduced in 1999 especially the local government system have brought about a massive and real change in the political, legal, financial and administrative structures of the country. The reforms in the country have been undertaken in very short time and with hardly any disruption or dip in services. The reforms and the manner in which they were conducted can be considered as a model for the commonwealth and other countries. It is worth emulating as it captures all the principles endorsed by the Aberdeen Agenda and goes beyond it by showing how it can be translated into reality especially in developing countries. It also addresses the issues faced by many countries, who have embarked on the path of devolution. The salient features of the local government system in Pakistan are listed below:

Political and Electoral

- (a) Political power has been devolved to three levels of local governments.
- (b) An elaborate election framework has been provided to ensure free, fair and transparent election process. Since 2001 two elections have been held in a very peaceful environment.
- (c) The elections are held after every 4 years on non-party basis. This allows the candidates to forge alliances and function in apolitical manner.
- (d) The entire union is a multi-member ward. This has significantly reduced the local rivalries and has led to two peaceful elections.
- (e) Voter age has been reduced to 18 years.

- (f) The three councils Zila, Tehsil and Union Council are linked politically. The Union Naib Nazim represents the Union in the Tehsil Council while the Union Nazim represents the Union in the Zila Council. The lowest level of local government is fully represented at the higher levels thus integrating the three Councils vertically.
- (g) Seats have been reserved for women, peasant workers and minorities. Thus ensuring participation of the marginalized disadvantaged groups. The long-standing agenda of mainstreaming women, peasants and minorities has been on the agenda for a long time of governments and donors. By giving 33% representation to women in all levels of local government a significant progress has been made. Women issues are now coming to the fore and with the passage of time the elected women representatives are expected to play a major role in the development of the country. The social exclusion of this marginalized group has been reduced to a large extent under the local government system.
- (h) Local elections are held on the basis of joint electorate. This has been a landmark change for the country.
- (i) First past the post system has been introduced.
- (j) The local governments operate under a provincial framework yet they have been given adequate protection from undue interference from the provincial governments through the respective Provincial Local Government Commission. All enquires against the elected representatives are conducted by the PLGC which is balanced and neutral body.
- (k) Study of the local government systems of other countries indicate that there is always conflict between the various levels of governments especially between the Provincial (State) and local level. Tension and conflict lead to poor service delivery. The local government system in Pakistan through the PLGC forum provides a neutral platform for interaction of the elected representatives of the various governments. The MNAs, MPAs, Senators and Nazims use the platform to discuss their problems and issues.
- (l) Mechanism for removal of Nazims and Naib Nazims have been provided to ensure accountability of such elected representatives.
- (m) Continuity of local government institutions is ensured.
- (n) The councils are fully empowered to take decisions relating to the assigned functions.

- (o) The Nazims are the executive head of the local administrations. The elected representatives have been placed in the commanding position to direct the bureaucracy under them for improving service delivery and to utilize the resources in accordance with local needs and priorities.

Legal

- (a) The Constitution of Pakistan envisages empowered local governments.
- (b) The Provincial Governments have devolved powers to local governments through four provincial ordinances.
- (c) Legal framework for policing and consequential changes were incorporated in the laws.
- (d) The process of separation of judiciary from the executive has been completed and the institution of Executive Magistracy has been abolished on 14th August, 2001. All trial powers and functions previously performed by Executive Magistrates have been transferred to the judiciary. This was a legacy from the colonial times.
- (e) Rules of Business of the Provincial Governments were changed where required.
- (f) Rules of Business for local governments were notified.
- (g) Financial Rules and laws were changed for resource distribution and fiscal transfers to local governments.
- (h) Accounting and auditing systems were changed for the local governments. New Budget Rules and local government accounts manual were notified to cater for consolidation of accounts.
- (i) Personnel E&D and AP/T rules are being revised to empower the local governments.

Financial

- (a) The main innovation under the local government system has been the establishment of provincial Finance Commissions. This has put an end to the discretionary powers of the provincial governments to allocate resources.
- (b) The composition of the PFC has been appreciated by all stakeholders. It comprises three professional members, three Nazims (one each from District Government, TMA and Union Administration), three Provincial Secretaries and one Provincial Finance Minister as chairman of the Commission. The Commission has representation of all stakeholders.

- (c) The PFC Commission is fully empowered to ask for any information and can exercise the powers of a Court in this respect. In addition it is provided a secretariat having a separate budget and staff.
- (d) Funds are now being distributed on the basis of a formula. Which takes into account the fiscal needs, fiscal capacity and fiscal effort.
- (e) The formula considers various factors for determining the shares. Funds allocation is based on poverty related indicators.
- (f) Each level of local government has been provided a list of taxes in line with their assigned functions. The funds are provided in accordance with the expenditure and revenue assigned to the local governments.
- (g) An important change from the previous system of administration relates to the rating areas. Previously property tax was collected only in areas declared as urban areas. This led to an unregulated mushroom growth on the periphery of towns and urban areas. The Local Government Ordinance the entire Tehsil or Town is a rating area. The urban rural divide has been abolished.
- (h) The PFC has been functioning since 2002-2003 and the shares are being transferred in accordance with the awards. The LGO provides for direct transfer to the bank accounts of the local government thus avoiding any delay or any interference in the transfer of their shares.
- (i) The funds are transferred as a single line item and the local governments are fully empowered to prepare their budgets in accordance with local priorities. In the past the developmental and non-developmental budgets were poorly linked, and developmental funds could not be used for non-developmental purposes. The Councils have now full powers under the law for the re-appropriation of funds of the budget at any time during the year. There are no restrictions on the Council with regard to re-appropriation.
- (j) The concept of a draft budget has been introduced and the time available for discussion in the Council has been extended to approximately three months. This ensures approval of schemes after proper debate in the councils.
- (k) The focus of the devolution and fiscal decentralization efforts is to improve services. The Monitoring Committees of the Councils play an important role in ensuring that the public funds are spent judiciously.
- (l) In the past the local governments were out of the main national accounting system. After devolution the accounts of the receipts and expenditure of Local Government are kept in accordance with the national system of accounting. The District Accounts Officer consolidates the District Government accounts with the

compiled accounts of the Tehsil, Town Account Office and Union Accounts Office.

- (m) The law provides for the establishment of Accounts Committees to look after the accounts, related issues. In order to ensure good governance the Accounts Committees of the Councils hold public hearings in which objections to statement of accounts are heard and, if required, appropriate action is taken. A copy of the Statement of Accounts is placed at a conspicuous place for public information.

Administrative

- (a) The LGO has provided a clear functional separation based on the principle of subsidiarity at all levels of local governments, i.e. District Governments, City District Government, Tehsil Municipal Administration, Town Municipal Administration (in city districts), and Union Administration.
- (b) The divisional tier has been abolished as there was no corresponding political institution.
- (c) The functions have been allocated as follows:
 - i) Provincial Governments are primarily responsible for the non-devolved functions. In case of devolved functions their new role is to legislate, formulate policies and set standard settings etc.
 - ii) The PLGC's mandate is to resolve intergovernmental issues, hold inquires, conduct special audit and annual inspections and check violations of the LGO.
 - iii) The PFC's is responsible for the distribution of provincial resources and to address intergovernmental financial issues.
 - iv) District Governments have been assigned functions relating to Education, Health, Agriculture etc.
 - v) The TMAs focus on municipal services like water supply, sewerage, sanitation and street lighting.
 - vi) Union Administration is the closet to the community and has been provided the most important job of monitoring service delivery within the union. In addition they also register births and deaths.
- (d) The functions and powers of the Nazims, Councils and Administration have been clearly specified in the LGO.
- (e) Under LGO to avoid overlapping the execution of local government functions is now the complete responsibility of the local governments. This will ensure ownership of projects.

- (f) The concentration of powers in the hands of a single executive i.e. the Deputy Commissioner has been de-concentrated to the right level and officials.
- (g) The local government system effectively addresses the specific needs and problems of large cities. The Provincial Capitals Lahore, Karachi, Peshawar and Quetta have been declared as City Districts. Other City districts have also been declared since promulgation of the LGO.
- (h) The regulatory function has been assigned to the PLGC. To ensure effective oversight regulatory units have been proposed as part of the provincial restructuring exercise.
- (i) The law requires empowers the Nazims and Naib Nazims to take E&D action against the staff working under them. A new district service is being created under which will ensure that the fresh recruitments are under the local governments.
- (j) A new system of enforcement answerable to the elected representatives with adequate incentive structure for the inspectors has been provided in the law to improve enforcement of local and special laws. The concept of ticketing has been introduced to reduce the load on the Courts and to make the process more transparent and just.
- (k) The LGO has provision for establishing the office of Zila Mohtasib at each district to address issues of mal-administration. Thus providing another effective avenue to the people for redressal of their complaints against the local government administration.

Community Participation

- (a) The LGO requires every local government to reserve 25% of the annual development funds to be spent through CCBs. The CCB mechanism allows participation of the non-elected citizens to participate in the development process at the local level.
- (b) The 25% reserve amount is not lapsable and is carried forward to the next year along with the fresh allocation for the next year. This forces the officials to encourage the communities to form CCBs. The executive is reluctant in most countries to allow the communities to participate in local governments.
- (c) In Pakistan in short time more than 24,000 CCB have been formed to date.
- (d) Musalehat Anjumans have been established at the union level as alternate dispute resolution mechanisms to provide speedy and low cost justice at the doorstep of the people.

- (e) Union Public Safety Committee has been provided to improve the law and order situation by involving the community and elected representatives. It provides abridge between the various law enforcing agencies and the citizens.

6. DONOR PERSPECTIVE ON LOCAL GOVERNMENT SYSTEM IN PAKISTAN

The reforms efforts of the Government have been appreciated by the international community as well. Despite “Infrastructure” being the main theme for the Pakistan Development Forum (PDF), in 2004 the social sectors, devolution and local governments remained at the centre stage of the PDF deliberations held in Islamabad from 17-19 March 2004. All donors emphasized the need for investing in local governments, which carry out the bulk of social and municipal services as a prerequisite for ensuring sustained economic growth. The cornerstone of the Governments reform agenda as stated in the PRSP also focuses on poverty reduction through improved governance, investment in human resource, gender equality, community empowerment, Police reforms, access to justice and devolution. The focus of donor cooperation is on:

- (a) promoting democratic local governance through support to devolution and effective citizen participation, especially that of women;
- (b) improving the quality and delivery of basic social services, especially for the female population, and to increase access to those services by the poor; and
- (c) improving women’s human rights, health and economic empowerment.

The list of basic government services are education, health, gender equality, law and justice, and access to water. If growth is to be sustained in the long run, this list is non-negotiable according to the World Bank. These functions have been decentralized to local governments and are now being managed by the local governments through elected representatives. The Local Government system introduced in August 2001 is considered to be the mechanism for improving governance and service delivery, empowering the citizens especially the women and reducing poverty at the local levels.

The donors applauded the Local Government Ordinance of 2001, which devolves such authorities to District and local government officials. It is considered to be a bold but wise move that will foster good governance as well as quickly benefit the poor. However, donors in the Pakistan Development Forum (PDF) also pointed out that the main challenge is that of training provincial, district and local officials charged with managing financial resources. The donor recognition and support for devolution was fully articulated and featured prominently in the statements made by the international donors at the Pakistan Development Forum.

The donors at the PDF recommend the following to the Government of Pakistan to meet the targets in the PRSP and to ensure sustainable success:

- (a) centrality of devolution process be preserved as a means to empower the poor and improve service delivery across different sectors;

- (b) provincial governments to devolve greater fiscal and administrative authority to local governments;
- (c) timely fiscal transfers through Provincial Finance Commission mechanism;
- (d) relationship building between local government and upper tiers of the Government;
- (e) bringing the management of social sector resources and decision-making authority closer to the people to achieve the objectives of PRSP;
- (f) full operationalization of the new modes (local governments) of social service delivery;
- (g) socially inclusive pro-poor policies;
- (h) increased social sector spending;
- (i) coordination amongst development actors at all levels to maximize outcomes and impact;
- (j) provincial restructuring and civil service reform to consolidate local governments;
- (k) continued commitment and perseverance by the Government for reforms;
- (l) capacity development needs of the local governments to be addressed; and
- (m) paying close attention to development effectiveness and monitoring results of poverty reduction policies and expenditures.

The PDF is an important channel of communication between Pakistan and its development partners. The donors fully supported the reform agenda and appreciated the progress made since the last PDF. On the whole the feedback received from the donors was that the reform agenda is on track and needs to be consolidated. They pointed out that such reforms are very complex and take a long time before results are visible. In some countries it has taken ten to fifteen years. The donors encouraged Pakistan to find ways to build a new consensus for change in societies, used to doings things in the old ways. New levels of local accountability can only be delivered with new ideas, breaking with the old ways of doing things.

The excerpts main points relating to governance and devolution in the various statements issued by the donors are provided below:

(a) ***Mr. Hafiz Pasha – United Nations***

This forum has ably encapsulated the challenges that require our urgent attention. Our Development partners have skillfully articulated the centrality of devolution process as a means to empower the poor and improve service delivery across different sectors. Building the capacity for local governance, strengthening community initiatives and promoting an inclusive approach to development is a necessary pre-requisite calling for:

- i) Relationship building between local government and upper tiers of the Government;
- ii) Timely fiscal transfers;
- iii) Coordinated priority setting and role clarity;
- iv) Building absorptive capacity at the local level; and
- v) Participatory poverty planning and monitoring process.

As a strategic ally to Pakistan for human development, we strive to improve synergies and minimize transaction costs, complement capacities and promote private sector and civil society partnerships in achieving the millennium targets. Coordination amongst development actors is thus imperative at all levels to maximize outcomes and impact.

Additionally, to ensure equitable investments in human capital, important pillars to sustain development are:

- i) Quality universal primary education and literacy as vehicle for empowerment and gainful employment;
- ii) Quality primary health care with a focus on maternal and child health and access to sanitation and safe drinking water;
- iii) Population stabilization; and
- iv) Gender balance development.

(b) ***Mr. Liqun Jin, Vice –President ADB (Statement at PDF)***

At last year's forum in Islamabad, the ADB emphasized the important need for the Government to remain strongly committed to implementing its governance and economic reform program. We are happy to note that results are now evident of the Government's determination and dedication to reforms. In fact Pakistan is witnessing some tangible outcomes.

Pakistan has now entered the phase of second generation reforms. Very important reforms have been initiated at the sector level and in the provinces. Improving governance at all levels, ensuring greater devolution of power and

creating an enabling regulatory and business environment for private sector development are among the most important second generation reform measures. These are essential for the economy to achieve sustained high growth. Experience in other countries indicates that such second generation reforms are often much more difficult to implement. Continued commitment and perseverance by the Government are essential for Pakistan to achieve sustainable success.

Along other development partners ADB has been actively supporting the Government's reform agenda. For its part, ADB remains firmly committed to supporting the Government's reform program, and we are ready to extend all possible assistance for its continued efficient implementation.

We note the Government's efforts to increase resource management efficiency and effectiveness through increased participation and accountability under the devolution program. To achieve the desired results, full operationalization of the new modes of social service delivery must be ensured and the capacity development needs of the local governments addressed. In partnership with DFID and other bilateral development agencies, we are pleased to be associated with such an effort through our Decentralization Support Program, with emphasis on capacity building of local governments. Together with this we are also supporting a major governance reform program with the objective of promoting the rule of law and strengthening of legal institutions under the Access to Justice Program. In this context it is important not to overlook the need for social justice and inclusive social development, such as through greater gender equality.

(c) ***Asian Development Bank (Closing Statement PDF)***

The PRSP provides a comprehensive framework for poverty reduction in the country. The longer term challenge for Pakistan now is: implementation, implementation, implementation. In seeking "accelerated growth", the broad vision of the leaders, at the national, provincial and district levels, is not only to reduce poverty but to make Pakistan a prosperous nation. For Pakistan to achieve prosperity with equity, it must place relative emphasis on socially inclusive pro-poor policies. A healthy and educated population is a prerequisite to a sustained economic growth. We, therefore, encourage the Government to continue to invest in Pakistan's human resources.

Paying close attention to development effectiveness and monitoring results of poverty reduction policies and expenditures is important. We look forward to working closely with the Government on this, particularly in regard our own assistance operations, to improve implementation and delivery, and to monitor and report on development impacts and results.

In addition to increasing budgetary allocations and improving public sector efficiencies and effectiveness, it is necessary to further improve governance to strengthen institutions and to build capacity to achieve pro-poor outcomes.

(d) **Gordon West (Statement of the United States delegation to PDF)**

Bringing the management of social sector resources and decision-making authority closer to the people will be crucial to achieve the objectives of PRSP. We applauded the Local Government Ordinance of 2001, which devolves such authorities to District and local government officials. It was a bold but wise move that will foster good governance as well as quickly benefit the poor. The roadmap for this too is clear, but some obstacles are blocking the way. As the Government continues to develop the administrative and management systems under the Ordinance, provincial restructuring and civil service reform are the natural corollaries to consolidate local governments. It is an enormous challenge and we strongly urge you to stay the course.

Successful devolution and good governance are the key to Pakistan's ability to provide quality education for its children, improve the healthcare of its families and create jobs and a more prosperous nation. The administrative structure is in place and much has been accomplished at both the District and local government level. However, many challenges remain. Chief among them is the need to train provincial, district and local officials charged with managing financial resources. Although very little training has occurred to date, we are pleased to learn that the first comprehensive training program begins next month. We strongly urge you to accelerate this training.

We encourage you to focus more attention on this important endeavor. We, like other donors here today, can and are helping. USAID has several programs that are strengthening District capacity, improving social services delivery, and increasing community participation in local governance. Through our national District Grants program, we are encouraging District Governments, the private –sector, and communities to work together to address local economic and social priorities. We will also soon be working with the Devolution Trust for Community Empowerment (DTCE), The National Commission for Human Development (NCHD), and the Rural Support Programs Network to galvanize citizen and local government participation in a broad array of community development and improvement projects. We are training secondary school teachers and administrators, provincial and district education and health officers, and creating micro-entrepreneurs as a way to quickly improve education, health, and economic development for the poor, especially women. National and provincial legislatures also have an important role to play in these endeavors and we are working with legislators to strengthen legislative governance.

As the Government moves to the next phase of devolution and continues to increase social sector spending we are confident that we will see improvements in the lives of Pakistanis and fewer living in poverty. This is an obtainable objective if the Government continues these efforts.

(e) ***Mr. Praful Patel, Vice President World Bank, South Asia Region (Address to the PDF)***

Turning again to my list of priorities I thought of any nation's most important asset, its people. Pakistan's legacy is one of little attention to human and social development. You all know the list of basic government services: education, health, gender equality, law and justice, access to water. If growth is to be sustained in the long run, this list is non-negotiable. And there are exciting challenges in finding ways to build a new consensus for change in societies used to doing things in the old ways.

The PRSP already projects strong increases in the share of priority budget allocations to pro-poor expenditures: you've planned to go from 5.4 percent of GDP in FY 2004 to 6.8 percent in FY 2008. Further increase will do even more, through the National Finance Commission Award; through the Provincial Finance Commission mechanism.

And yet, public spending alone won't do it. New levels of local accountability will only be delivered with new ideas, breaking with the old ways of doing things.

(f) ***Mr. Praful Patel, Vice President World Bank, South Asia Region (Joint WB, GoP press briefing)***

We heard from the Chairman NRB and from the district Nazim of Khanewal that political devolution is firmly established, but the administrative and financial capacity to implement the new responsibilities is weak and still needs attention. This is not surprising; devolution is a massive and complex endeavor and it will take ten to fifteen years to make it work.

(g) ***Mr. John Wall - World Bank (Closing remarks PDF)***

Last year I had concluded my remarks at the PDF 2003 by saying "only time will tell if Pakistan remains on the path of reform and that actions speak louder than words." I am very happy today ladies and gentlemen that actions have indeed spoken louder than words and time is beginning to bear witness to Pakistan's commitment to stay on the reform path.

The Bank along with the Boards of Directors of both the World Bank and the IMF, have endorsed the PRSP as a credible strategy and a sound basis for our financial support.

Much of the responsibility for the delivery of services is now with the districts and other local governments. We heard from the Chairman NRB and from the district Nazim Khanewal that political devolution is firmly established and is already delivering on some of its promises. But the administrative and financial capacity to implement the new responsibilities is weak and still needs attention. This is not surprising; devolution is a massive and complex endeavor and it will take ten to fifteen years to make it work. Provincial governments need to devolve greater fiscal and administrative authority to local governments. At the same time, districts continue to face severe capacity constraints. All speakers stressed the need for greater support in building capacity at the district level as an urgent matter.

We heard the Minister for education talk about a “glass half full”. The Minister thought a good way for donors to help fund education is to provide support for the budgets of the education departments of local governments through provincial budgets.

We have heard the follow on problems created by the success of good policies and reform of the past four years. There is no doubt that this government has gotten Pakistan moving again.

(h) ***Norwegian Delegation (Comments at PDF)***

The Norwegian Government congratulates the Government of Pakistan for having completed the full PRSP. Norway urges Pakistan to stay focused and make an all out effort in implementing the strategy, which places poverty reduction at the center of its development strategy and economic policy. Implementation of the Government’s governance and reform programme is also essential to reverse the down ward trend of social sector and human resource development.

Poverty reduction is the aim of all Norwegian development cooperation. Norway will continue to pursue poverty reduction and a rights based approach to development cooperation with Pakistan. The framework for cooperation with Pakistan will focus on primary education and good governance, including human rights and democratic development. Special attention will be paid to competence and capacity building at the local level, given the many challenges linked to implementing the policy of devolution. It is also our firm belief that efficient utilization of external development resources calls for rational and the best possible coordination between different levels of government and donors as well as between donors.

Norway as a development partner like to keep the focus on poverty reduction as the central policy, unlike a growth strategy that in the worst case could end up benefiting only the part of society that is already well to do.

Pakistan has embarked on an ambitious reform agenda that includes institutional reforms across the board, including Civil Service Reforms, the Access to Justice Reform and the Police Reform. Our assessment is that only determined, target-oriented implementation of these reforms combined with parallel efforts to strengthen the Local Government operational system, will ensure a better future for the people of Pakistan.

(i) ***Canadian Intervention (Statement at PDF)***

Canada will continue delivering its development assistance programme to Pakistan under a country strategy developed in 2001. Our objectives under this strategy are three: First, to promote democratic local governance through support to devolution and effective citizen participation, especially that of women; Second, to improve the quality and delivery of basic social services, especially for the female population, and to increase access to those services by the poor; and Third, to improve women's human rights, health and economic empowerment.

Canada was pleased to see the recent completion of Pakistan's Poverty Reduction Strategy Paper. The PRSP is comprehensive and establishes a sound framework for achieving a greater pro-poor orientation to growth and development policies in Pakistan.

We would encourage a faster pace to reforms linked to improving the quality and responsiveness and delivery of poverty related services, such as health and education, fiscal decentralization, civil service reform, and capacity enhancement for local governments.

(j) ***Mr. J. J. Boillot (Statement of French Delegation at PDF)***

France warmly welcomes the finalization of the PRSP document but along with other partners has expressed some reservations particularly on the necessary steps to increase more rapidly the budgetary resources for the social infrastructures investments and their effectiveness through devolution of power, better coordination and appropriate controls.

We have been particularly impressed by the presentation of Mr. Daniyal Aziz on devolution. I still believe that you should consider again our suggestion to give more room to increase the public expenditure on health and education.

We highly value your trust and friendship in a world where we need peace and prosperity for all which means a frontal attack on poverty.

(k) ***Mr. Ma Changlin (Embassy of the People's Republic of China)***

We wish to congratulate the Government of Pakistan on the full PRSP, which is a far-reaching strategy demonstrating the strong and overriding commitment of the Government to the goal of poverty reduction.

We feel exceptionally happy to note with respect that nearly four years of implementation of wide ranging reforms have now started paying dividends. The country has established its credibility through reforms, which were tailored to the best interest of its people and the landmark achievements which deserve the congratulations by us all. We firmly believe that as result of Government's determination and dedication to reforms, the people of Pakistan, particularly the poor will enjoy the beauty of a better life earlier than expected with the implementation of PRSP. We strongly support the Pakistani Government's aim of reducing poverty.

(l) ***Mr. Minoru Syibuya, Ambassador of Japan to Pakistan (Statement on occasion of the concluding session of PDF)***

The successful implementation of the PRSP depends much on the social sector. For the poor to seize opportunities to be unfettered human development through better health and education is a must. In this regard we were reassured by the restated commitment by Pakistan to this formidable task. We will remain vigilant and will keep ourselves involved in this sector.

7. CONCLUSION

Decentralization is considered to be an essential prerequisite for improving service delivery and to ensure sustainable development. Participation and involvement of people in the development process at the grass root level through their elected representatives in local governments is the key to strengthening local democracy. However, decentralization can be counter-productive if not properly designed. Most countries embark upon empowering people through such reforms but are unable to change the fundamentals. Accordingly in the absence of genuine change the efforts do not bear fruit. Conservative estimates indicate that more than 70 countries are currently at various stages of decentralization. Those countries, which have not given enough attention to details are facing major problems while those who have adhered to the fundamental principles of decentralization have done well. On the whole analysis of the decentralization process and the local government system in developing countries indicates problems arising mainly because of poor design.

To summarize the local government system in Pakistan focuses on improving service delivery, poverty alleviation, and good governance through devolution of political power, decentralization of administrative and financial authority and formula based resource distribution. It empowers the people at the grass root, provides affordable and speedy justice at the doorstep, ensures financial autonomy and equitable opportunities of livelihood, and enables the people to have a meaningful role in shaping their own destiny.

The new system provides an integrated three-tier local government structure in which district bureaucracy is responsible to the elected representatives. The integrated system approach has provided a comprehensive solution for overcoming the past deficiencies. The local governments have been empowered to undertake their own development in addition to controlling expenditures related to service delivery. The people are also empowered through significant bottom-up planning processes, including spending the reserved 25 per cent of the development budget at all levels through communities.

The impact is already visible, as the participation of the people has increased tremendously in local development issues. Lively and heated debates are taking place in the councils. Identification of development projects is in line with local priorities. Execution of development work has improved due to decentralized decision making and granting of financial and administrative autonomy. The involvement of people has improved the planning process and services in a cost effective manner.

The deficiencies of the previous system have been directly addressed and a new system is evolving with empowerment of the people as the core philosophy. The unprecedented participation of the people in the local government election is a clear indication of the ownership of the people and of the success of the system. The innovations introduced under the Local Government Ordinance in Pakistan are worth replicating by other countries.
