



CONSOLIDATING DEVOLUTION IN THE TRANSITION ENVIRONMENT

Pakistan Development Forum

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STATUS OF DEVOLUTION

I. CONTINUITY OF REFORM PROCESS

- a. **The Parliament has ratified the Local Government Ordinance 2001 and the Police Order 2002 as part of the Sixth Schedule of the Constitution of the Islamic Republic of Pakistan 1973 for a period of six (6) years so as to entrench and consolidate devolution.**

- b. **The first tenure of District Governments, Tehsil/Town Municipal Administrations, Union Administrations and respective Councils established on 14th August 2001 shall be completed on 13th August 2005.**

II. FINANCIAL ARRANGEMENTS UNDER LGO 2001

- a. Provincial Finance Commission**
- b. District Accounts Officers (District and Tehsil Accounts)**
- c. Unified Codes (budget, accounts, audit) notified for all levels enabling Consolidation of Accounts**
- d. Audit Capacity increased and Audit of all levels under process**
- e. Social Audit Second Round underway for comparison**
- f. Formula based shares for local governments on the basis of PFC award are in place. New awards to be announced after NFC.**

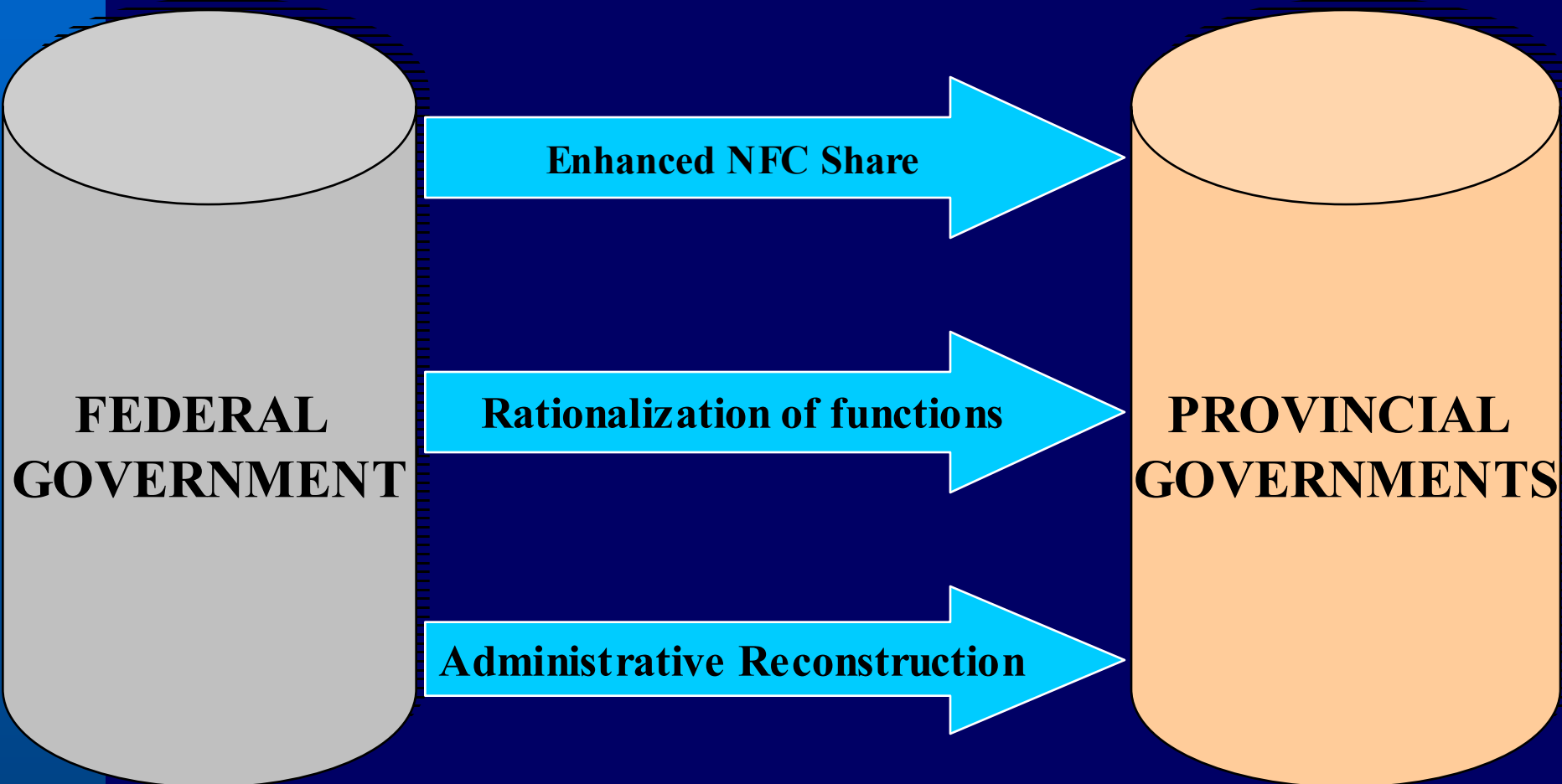
III. EMPOWERMENT OF COMMUNITIES

- a. Women, Peasants/Workers and Minorities are now an integral part of the political and development process at the local level. In all 43% seats of local councils are reserved for these categories.**
- b. Registration of CCBs and utilization of development budget reserved for CCBs has gained momentum.**
- c. Devolution Trust for Community Empowerment (DTCE) established for supporting CCBs (tripartite agreement NCHD, RSPN, DTCE).**
- d. Union Councils funded to sanction performance based honorarium for Police Station staff and to provide money for other expenditures.**

IV. INSTITUTIONAL CHANGES UNDER POLICE ORDER 2002

- a. District Public Safety Commissions have been established in 86 districts.**
- b. Separation of Investigation from Watch and Ward.**
- c. Criminal Justice Coordination Committee has become functional in all districts.**
- d. Provincial Police Officers declared as ex-officio Secretary.**
- e. Remaining implementation issues of Police Order 2002 are being addressed on priority basis.**

FEDERAL TO PROVINCIAL DEVOLUTION



CIVIL SERVICE REFORMS

Civil Service Reforms are necessary for creating performance oriented, demand driven, transparent and accountable public administration at Federal , Provincial and Local levels through:

- a. Creation of district cadres which will secure the local governments statutory obligation to manage their establishments effectively including powers of recruitment, posting and transfer and discipline in the prescribed manner.**
- b. Creation of National and Provincial Executive Services.**
- c. Reconstructing and Improving compensation package.**
- d. Training, capacity enhancement/specialization and merit based promotions, entry and exit.**

RESTRUCTURING OF PROVINCIAL DEPARTMENTS

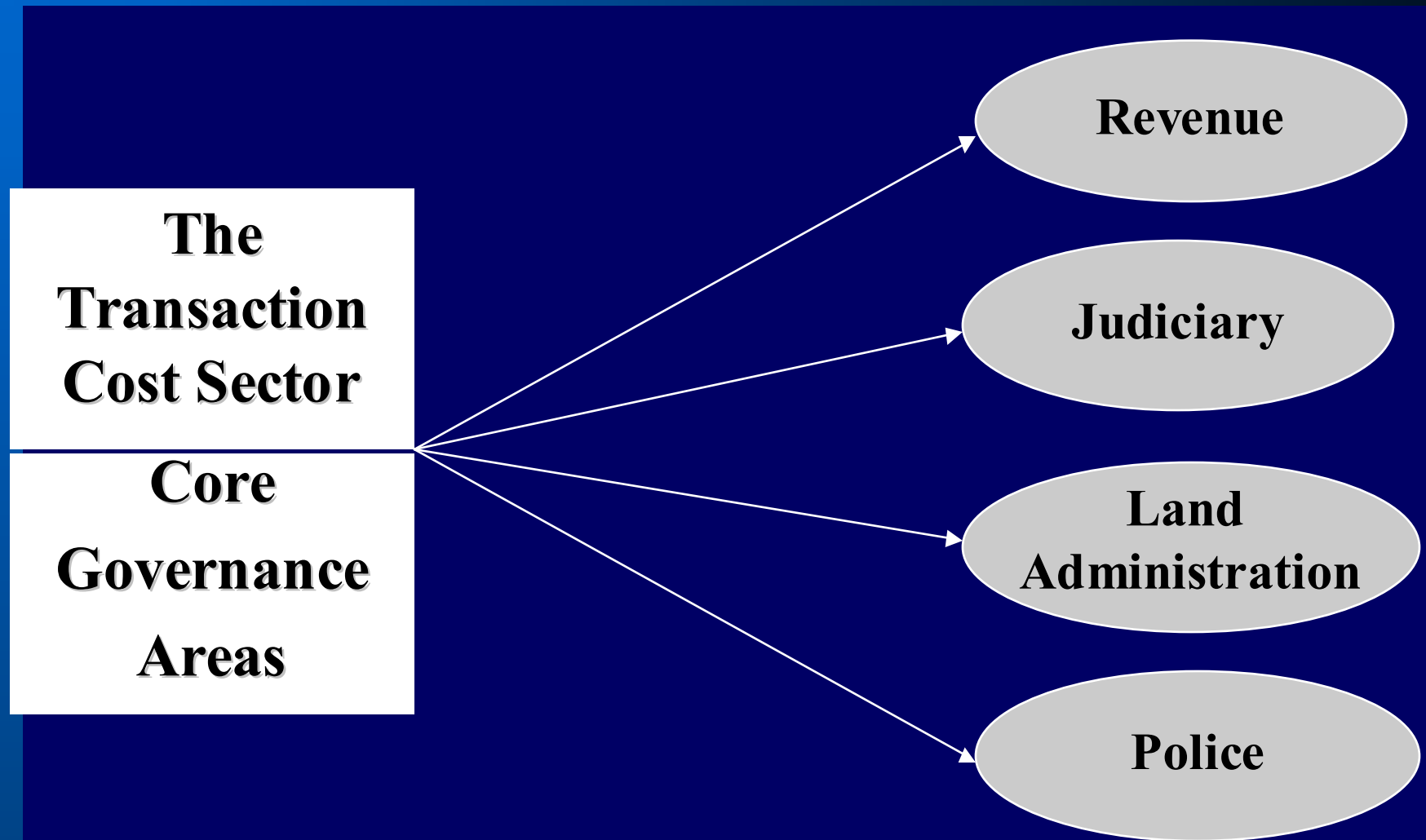
- i. Decentralisation of district offices to the local governments has changed the nature and quantum of work of Provincial Secretariat and Attached Departments as well as their relationship with district offices.**
- ii. For these Departments the transition from executive functions to regulatory, oversight, accountability, and legal is a difficult one. This process is underway.**
- iii. Provincial Secretariat and Attached Departments need restructuring for compatibility with the District Groups of Offices along with a functional/rules review to embed the above stated functions and remove executive functions which have been devolved.**
- iv. Provincial restructuring is a pre-requisite for consolidating devolution.**

CAPACITY BUILDING

- i. The efforts of Federal and Provincial Governments in 2001 and 2002 remained focused on capacity building of more than 135,000 elected representatives of local governments.**
- ii. The plans to train all local government functionaries could not materialize due to several constraints mainly financial.**
- iii. The local government elected representatives as well as officials require extensive training in the following areas:-**
 - a. Financial Management (Budgeting, Accounting, Auditing, Internal Audit and Procurement Procedures)**
 - b. Service Delivery and Performance Management**
 - c. Community Participation**
 - d. Administrative Decentralization (Performance Appraisal, E&D Rules etc.)**
 - e. Information Media and Democratic Governance at Local level**

- iv. The members of DPSCs and Police officials require extensive training.**
- v. Investment in strengthening of the physical and technical capacity of existing training institutions like NIPAs, PASC, PARD, NCRD, MTRI, ATIs, NDC, Provincial Local Government Academies and Police Academies is required for imparting training to local government functionaries throughout the year.**
- vi. Training must be institutionalized at the local level as a regular recurring feature at least for the next 5-7 years so as to develop the critical mass of understanding and functioning at the local level.**

INVESTMENT IN GOVERNANCE



DONOR SUPPORT & DEVOLUTION

- i. Donor assistance has focused on inputs rather than outputs. The impact and outcome of assistance can be measured through independent assessment of people's satisfaction about service delivery by using social audit methodology and other tools. This balance must be catered for.**
- ii. Donors providing assistance for support to devolution need a forum at the federal level for effective collaboration and coordination.**
- iii. All donor assistance needs to be disbursed through the Provincial Finance Commission to ensure equitable distribution of funds to local governments and even development of all areas.**
- iv. Jointly developed standard operating procedures must be adhered to so that the focus of donor operations becomes devolution friendly.**

- v. **Donor assisted projects and programmes launched prior to devolution are still being executed by provincial governments, although functions have been decentralized to local governments. Such projects and programmes may be transferred to the concerned local governments.**

- vi. **Integration of local government financial reporting and accounting system must be ensured under PIFRA.**