



## Local Government a Partner in National Development - Outcomes Statement

Representatives of local government associations from the four Provinces of Pakistan and the Association for Development of Local Governance (ADLG), Federal and Provincial ministers, Members of Parliament, senior officials from local and central government and representatives from civil society and development organisations, came together in Islamabad on the 15-16 January 2019, to discuss the role of local government as a partner in development, including in the achievement of the SDGs; and strategies to strengthen local government and LCAs in Pakistan. The meeting was organised by the Commonwealth Local Government Forum (CLGF) and LCAP as part their EU funded project to strengthen the LCAs in Pakistan.

It was agreed that, as part of the state, local government's core responsibilities underpin national development and achievement of the SDGs, through its role in citizen engagement, planning and service delivery. Local government bridges the gap between government and citizens, bringing them together to ensure that development leaves no-one behind. It was emphasised that political commitment to decentralisation must be accompanied by an adequate level of autonomy, capacity development and financial resources to ensure that local government and communities are genuinely empowered.

In a wide-ranging discussion, participants agreed priorities for enhancing local government's role as actors in development. The outcomes endorse and build on recommendations developed by the LCAKP and LCAP based on their experiences of implementing local government, which were presented to the Prime Minister's Taskforce on Local Government in December 2018 (annex):

### **Strengthening enabling legislation**

Participants recognised the importance of strengthening enabling legislation that sets out clearly the devolution of political, financial and administrative powers to district and local councils. The process should include clear articulation of services to be delivered locally and empowerment of local government to hire staff. Consideration should be given to establishing different roles and functions between urban and rural local government. Ultimately efforts should be made to move towards a more uniform system of local government across Pakistan.

Legislation should also be in place, in line with Art 140(a) and 37(i) of the Constitution, to ensure commitment to the principle of devolution to the district level; to ensure regular elections; and that councils can complete their full period in office.

### **Meaningful inclusion in decision making**

Participation of citizens in decision-making processes that affect their lives, and their access to accountable and reliable local services is fundamental to sustainable development. Participants emphasised the importance of interaction with other public institutions, citizens, civil society and the private sector in planning local services and allocating resources (the Territorial Approach to Local Development). Meaningful inclusion of women youth and minorities in local decision making and understanding the barriers that affect their participation is key. Participants called for a strong focus on building the capacity of leaders and officials to ensure effective participatory local governance.

Participants discussed the relative merits of retaining or modifying the reserve seats system for women and minorities. It was agreed that the number of women in local government



should be increased and that capacity building and targeted resource allocation could empower them to play a full role in local decision making.

### **Future priorities for local government**

Participants discussed their priorities for strengthening local government to respond to the needs of their communities. The importance of effective implementation of enabling local government legislation with finances following functions and local government being granted relevant tax revenue raising ability, will be key in this regard. Local government is an essential partner in achieving the SDGs as it understands the needs of local communities and can deliver at the grassroots.

### **The role of LCAs in enhancing national development**

Participants recognised the important role that LCAs have played in the reintroduction of elected local government in Pakistan, and welcomed the recognition of the LCAs as part of the intergovernmental process by provincial and federal government.

LCAs committed to continuing to represent their members and to advocate towards government and other relevant organisations on their behalf; to build their capacity and financial sustainability to deliver services to members; and to work to share good practice, experience and learning within Pakistan, regionally and international.

### **Key recommendations:**

- LCAs should work to develop a partnership with Provincial and federal government and call on them to recognise local government in line with Art 140(a); and recognise local councils associations as the voice of local government in their provinces;
- Continue to strengthen the capacity LCAs to respond to the needs of their members and provide services to support their work, including strategic planning, service delivery, and a more balanced relationship between political leaders and the bureaucracy;
- Local governments should actively promote meaningful participation by all citizens in decision making and LCAs should support their members in strengthening their capacity to implement a participatory approach;
- LCAs should promote the engagement of more women in local government decision making, and promote work to strengthen leadership skills of women leaders to participate fully in the decision making process;
- Emphasise local government's role as a partner in achieving the SDGs through awareness raising, implementation of services, and monitoring. LCAs should represent their members in provincial/national dialogues including with the National Taskforce on SDGs;
- Endorse the recommendations to further strengthen local governments, based on the experiences of implementing local government in KP and Punjab, which were presented to the Prime Minister's Taskforce on Local Government, December 2018.
- Work with the LCAs and other partners, including CLGF to actively promote exchange of good practice and learning among local government practitioners in Pakistan, regionally and internationally.

## Annex

### **Recommendations from LCAKP and LCAP to the Prime Minister's Task Force on Local Government:**

1. Continuity and Uniformity of Local Government System should be provided Constitutional Protection: According to Article 140A of the Constitution of Pakistan, each province shall, by law, establish a local government system and devolve political, administrative and financial responsibility and authority to the elected representatives of the local governments. Unfortunately, this has allowed the provincial governments in the past to delay/defer and/or establish local governments to serve their own political interests. If democracy is to flourish and strengthen in the country, it is imperative that the local governments are constitutionally recognized as the third tier of government along with federal and provincial governments the broader structure and functions of local government are defined, and the Election Commission of Pakistan is bound to hold local government elections with, or soon after, the general elections. This will ensure, beyond any doubts, the continuity and uniformity of the local government system in the country and thus improve service delivery and accountability to the citizens.
2. Separate Local Governments should be established in Urban and Rural Areas: The issues and dynamics of urban and rural areas are quite different and cannot be dealt judiciously and effectively by one local government. Given majority representation from the urban areas, the development of rural areas have been compromised in the past by the district and especially the tehsil governments. It is high time that separate local governments are established in the urban and rural areas to ensure that area specific issues are addressed by the local governments.
3. All political, administrative and financial responsibilities and authorities shall be devolved to the elected representatives of the local governments in letter and spirit: Following are some key recommendations:
  - a) There should be a clear distinction made between the functions and responsibilities of the provincial government and the local governments.
  - b) The whole administration of local government must come under the elected council and performance evaluation reports of officers and staff must be prepared or, at least, countersigned by the mayor/nazim/chairman as chief executive of the local government.
  - c) A substantial part of provincial revenues i.e. 30-40% should be allocated to the local governments and should be streamlined and regularized. Sectorial allocation of funds shall be abolished and one line allocation be made to the local governments. Substantial part of local government funds should be transferred at the beginning of the fiscal year.
  - d) Some specific departments i.e. transport, physical planning and housing, excise and taxation, environment, labor and industries, IT development and promotion, civil defense, Rescue 1122, technical education, and development authorities should be devolved to the urban local government.
  - e) Receipts of all devolved departments e.g. property tax, tobacco cess, gas and oil royalty, hydro power profits and other resources shall be paid to the concerned local government.
  - f) There should be a single development committee for approval of projects of the local government which should be headed by the mayor/nazim/chairman.
  - g) Accountability of local governments should be made on clearly identified and defined performance indicators.
4. Development Funds allocated to MNAs/MPAs should be abolished or used for Projects outside Local Government Domain: One of the key impediments to local governments' development and strengthening has been the blatant opposition by the federal and provincial legislators who feel they are losing influence in their constituencies due to huge resource allocation to the local government elected representatives for development. Furthermore, these legislators normally use their funds for development

that is mandated to local government thus causing duplication and wastage of resources. Complete stoppage of development funds to the legislators will put an end to this resistance and enhance the acceptance and ownership of local governments among the general public. Alternatively, they should be restricted to spend their development funds in specific sectors/areas that are outside the domain of the local government.

5. Local Governments should have a Two-tier System: There is a significant overlap between the district and tehsil/town governments which has made the tehsil/town government redundant. As such this tier should be abolished to make it a two-tier system. Furthermore, the village/neighborhood councils have very loose linkage with the district government. Councilors to the district council are elected on the ward (old union council) basis who often focus on their area of influence only. To avoid duplication of responsibilities and develop a linkage between the lowest and highest tiers, the nazims of village/neighborhood councils should be made councilors of the district council and election of district councilors on ward basis should be abolished.
6. Councilors Elected on Reserved Seats should be Further Empowered: Women, workers/peasants, youth and minority councilors have been generally sidelined and not given their due role in the affairs of local governments. Their role needs to be formalized in the Local Government Acts by, at least, allocating specific percentage of funds which should be used through committees headed by these councilors. At the time of annual budget preparation, these committees should provide their development plans on how they plan to utilize these specific funds. These plans should be made part of the budget document.
7. Community Participation in Local Development should be Formalized and Ensured: Although required in the Local Government Acts, community participation in the planning and implementation of local development has been non-existent. The Acts should provide specific guidelines on how community participation will be ensured. One option is that the provincial government will approve local government budget only after the budget along with the annual development plan have been endorsed through public meetings. Furthermore, the local government should be bound to constitute monitoring committees from the beneficiary communities to monitor development in their communities.
8. Local Dispute Resolution Mechanism should be Formalized: The Local Government Acts provide for a dispute resolution mechanism e.g. Musalihati Anjuman, but does not provide clear guidelines on how this should be formed and should function. The mechanism should be elaborated in the Acts and its decisions should be made binding on the disputing parties with the right to appeal against committee decision in the lower court.
9. Honorarium should be paid to Councilors: The councilors of all tiers of local government are working voluntarily and providing their valuable time to address and resolve local issues. They should be, at least, paid honorarium for attending councils/committees meetings.
10. Training and Capacity Building of Local Government Functionaries should be Formalized and Ensured: A large number of issues and challenges faced by the local governments can be easily attributed to the lack of understanding and capacity of both elected and non-elected functionaries of local government. In the past, only one time orientation/training was provided to the elected representatives of local government with the result that most of the councilors remained unclear and confused about their roles and responsibilities. Similarly, the non-elected staff was hardly provided any training. To ensure a sustainable process of training and capacity building of local governments, the local governments should be allowed to budget for training and capacity building of their functionaries and use this budget to provide training to their functionaries through different institutions/trainers. In addition, the provincial local government training institutes should be provided sufficient qualified faculty, staff and resources to develop

and offer regular pre and in-service training to local government functionaries on payment. This will develop these institutes on sustainable basis.

11. Local Government Associations should be recognized as Key Stakeholders: Throughout the world, local governments are facilitated to form their associations which are recognized as legitimate stakeholders to engage in policy dialogue, lobbying/advocacy and networking on behalf of the local governments. These associations also provide numerous services to their member local governments thus supporting and strengthening local governance in their countries. The local governments in all four provinces have established their associations. The Local Government Acts should recognize these Associations as legitimate representative bodies of local governments in the province and allow local governments to budget and pay annual membership fee to these Associations to make them sustainable platform for networking, knowledge sharing, and lobbying and advocacy on behalf of local governments.