

GOOD GOVERNANCE - GOOD RESULTS

PAKISTAN 2ND GOVERNANCE
FORUM 2015



Draft Report



Preface

Good governance has emerged as a major challenge of our times, with the Government of Pakistan debating seriously on how to make the public sector more efficient and responsive to the needs of the people. Policy makers have reached the conclusion that effective governance is paramount to spur sustainable growth in the system. A complete overhaul of the current governance institutional structure demands revisit of the institutions, policies and frameworks to meet the surge in the demand for good governance.

With the Vision 2025 serving as the road map for development objectives, Pakistan needs to ensure greater coherence of multi-level policy making through measures that allow information flow between the central and sub-central levels of government. For evidence based policy making, the Ministry of Planning, Development and Reform has undertaken a holistic approach by taking on board all major stakeholders for informing the reform agenda. This would allow priorities to be laid out in advance before introducing any changes in the institutional structure.

The Annual Governance Fora is one such measure devised to facilitate mutual learning and collaboration among the stakeholders at the provincial and sub provincial tiers. These Fora provide an ample opportunity to align information asymmetries at various levels of government and shape up the reform agenda through exchange of ideas between the stakeholders. At the same time, they enable sound and realistic planning through a bottom up approach by allowing local actors from the academia, civil society and youth to participate in decision making for better overall results.

Apart from planning and implementing new initiatives, the government has also taken up the task of assessing current reforms for replicability of successful models at multiple tiers of the governance system. The Governance Fora allow stocktaking of government's achievements and chart the way forward. A broad spectrum of public service areas, ranging from civil service to tax, education, health and investment climate inter alia, has been taken up for reform through consensus and dialogue among the participating actors.

The unprecedented challenges facing Pakistan demand having in place clear mechanisms for governance reforms and institution building. There are no short cuts or easy solutions to achieving this except taking the right approach and sustained efforts. With this in view, the current initiatives of the government have been designed to deliver according to the expectations of the citizens and make people-centered sustainable development a reality in Pakistan.

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March, 2017

Executive Summary

The Ministry of Planning, Development & Reform launched Pakistan Vision 2025 in August 2014, which consists of seven pillars for growth including democratic governance, institutional reforms and modernization of public sector. To achieve the objectives of Pakistan's Vision 2025 and review the state of reforms to accelerate implementation, innovative solutions and performance, the 2nd Pakistan Governance Forum was organized on 31st December 2015 in Islamabad. This Forum was second of the series of the Governance Fora initiated in 2014.

The objective of the 2nd Pakistan Governance Forum 2015 was to provide a roundup of government's achievements in various areas of governance such as; chalking out a plan of action for high priority reform initiatives for 2016; deliberating on workable citizen-centric governance models for Islamabad Capital Territory for improving service delivery; disseminating Planning Commission's governance reform agenda; providing a platform for various stakeholders to come together and share their experiences for mutual learning/collaborations; and showcase the great strides made by various government agencies through a 'Governance Expo'.

A round table discussion on twelve thematic areas served as an opportunity for the participants to know about current reform initiatives and to brainstorm on the way forward. The broad recommendations around civil service reforms; police and criminal justice reforms; tax reforms; transparency, accountability and open government; e-government; education sector reforms; health sector reforms; investment climate: ease of doing business; Islamabad model city; effective local government; performance management system in public sector; and service delivery & citizen charters that were identified are as under:

- Introducing performance based quantifiable evaluation system (KPIs, tasks and weightage) and promotion based on integrity, competence, performance, public service, vision, leadership and team building for civil servants;
- Adaptation of Police Order 2002, and formation of an independent commission to review existing reforms with representation from all pillars of Criminal Justice System;
- Improvement in tax to GDP ratio from 9.5% to 15% with continuation of current initiatives and introducing measures to broadening tax base, and facilitating the genuine taxpayers along with other measures; for more accountability,
- Embrace "Say No to Corruption" slogan in its true spirit and educate all masses on its importance;
- Proactive implementation of reforms in the areas of e-office, e-health, e-recruitment, e-procurement, e-enablement and G-cloud and bring it to international standards;
- Conduct National Education Census (NEC), strengthen role of Higher Education Commission and reduce teacher absenteeism, transparency and accountability through establishment of Human Resources Management and Information System (HRMIS);
- Continue current reform agenda and increase finances for health sector to 4% of GDP; bring improvements in standards for the manufacturing of drugs and vaccines according to World Health Organization's (WHO) standards and reproductive health service for youth and adolescents as part of public health service delivery;
- Continue efforts in simplification of rules, regulations and procedures to enhance "Ease of Doing Business", and make Virtual and Physical One Stop Shop (VOSS) more effective and

functional. In the context of China Pakistan Economic Corridor (CPEC), a scientific study/ strategy may be developed for the local production capacity enhancement, including raw material requirements, HR requirements and other consumer goods and energy;

- Brand Islamabad as a Metropolitan Institutional Model City of participatory governance; introduce financial management reforms, extension of Bus Rapid Transit (BRT) on all major corridors and development of Islamabad as a tourist destination;
- Build capacity of elected local government representatives and officials for effective delivery of services, improve financial conditions of local governments and encourage local tax collection;
- Identify dynamic Key Performance Indicators (KPIs) and their prioritization through job analysis at all levels of the public institutions; identify a framework for performance evaluation and establish performance contracting under the cover of law;
- Develop citizen charter with the identified eleven Ministries and expand this concept to other ministries. Citizen Charter initiative to be conceived as a change management plan with identified processes, activities, timelines and responsibilities across the organizations.

The report presents discussion on each thematic area, as an update on reform initiatives from 2014-15 and policy recommendations endorsed by participants from government departments, autonomous bodies, academia, civil society and youth.

Acronyms

ACR	Annual Confidential Reports
ADR	Alternate Dispute Resolution
AMR	Antimicrobial Resistance
BDS	Bachelor of Dental Surgery
BOGs	Board of Governors
BOI	Board of Investment
BPS	Basic Pay Scale
BRT	Bus Rapid Transit
BTB	Broadening Tax Base
CDA	Capital Development Authority
CDWP	Central Development Working Party
CEO	Chief Executive Officer
CPEC	China Pakistan Economic Corridor
CJS	Criminal Justice System
CPO	Central Police Office
CSS	Central Superior Services
DHIS	District Health Information System
DGHS	Director General Health System
DoH	Department of Health
DRAP	Drug Regulatory Authority
EAD	Economic Affairs Division
ECNEC	Executive Committee of the National Economic Council
EDO	Executive District Officer
EPI	Expanded Programme on Immunization
EOBI	Employees Old-Age Benefits
EODB	Ease of Doing Business
FDI	Foreign Direct Investment
FBR	Federal Board of Revenue

FIA	Federal Investigation Agency
FIR	First Information Report
FHA	Federal Health Authority
FPSC	Federal Public Service Commission
GAVI	Global Alliance for Vaccines and Immunizations
GDP	Gross Domestic Product
HEC	Higher Education Commission
HGO	Hajj Group Organizers
HMIS	Health Management Information System
HPSIU	Health Policy System strengthening & Information analysis Unit
HRH	Human Resource Health
HRMIS	Human Resources Management and Information System
HSRU	Health Sector Reform Unit
HSS	Health System Strengthening
ICT	Information and Communication Technology
ICTP	Islamabad Capital Territory Police
IPR	Intellectual Property Rights
ITS	Intelligent Transport Services
JJS	Juvenile Justice System
KDA	Karachi Development Authority
KPI	Key Performance Indicator
LDA	Lahore Development Authority
LMIS	Logistic Management Info System
MAF	Management Accountability Framework
MDG	Millennium Development Goal
MH	Mental Health
MIS	Management Information System
MMC	Mid-Management Career
MNCH	Maternal, New-born and Child Health
MoPDR	Ministry of Planning, Development and Reform

MOU	Memorandum of Understanding
NAB	National Accountability Bureau
NADRA	National Database & Registration Authority
NARC	National Agricultural Research Center
NAP	National Action Plan
NCDs	Non-communicable Diseases
NEC	National Education Census
NEMIS	National Educational Management Information System
NHIRC	National Health Information Resource Center
NHSRC	National Health Services, Regulation and Coordination
NHW	Nutrition health wellness
NISP	National Internal Security Policy
NMC	National Management Course
OICC	Overseas Investors Chamber of Commerce
PER	Performance Evaluation Rating
PEMRA	Pakistan Electronic Media Regulatory Authority
PHC	Primary Healthcare
PIA	Pakistan International Airlines
PMNHIP	Prime Minister's National Health Insurance Program
RMNCH	Reproductive, Maternal, New-born and Child Health
SBP	State Bank of Pakistan
SDGs	Sustainable Development Goals
SDMP	Service Delivery Measurement Parameter
SECP	Securities and Exchange Commission of Pakistan
SEZ	Special Economic Zones
SHO	Station House Officer
SMC	Senior Management Course
SMC	School Management Committees
SRO	Statutory Regulatory Orders
TNA	Training Needs Assessment

TWG	Technical Working Group
UHC	Universal Health Coverage
UNDP	United Nations Development Programme
USF	Universal Service Fund
VAT	Value Added Tax
VOSS	Virtual and Physical One Stop Shop
WeBOC	Web Based One Customs
WHO	World Health Organization

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1. Introduction

Government of Pakistan has developed Vision 2025, which recognizes institutional reform and modernization of public sector as one of its seven pillars of development and growth framework. Ministry of Planning, Development & Reform (MoPDR) is now working to actualize this pillar of Vision 2025 through a comprehensive reform program, under the directions of the Prime Minister of Pakistan. MoPDR is working towards enhancing efficiency, effectiveness, transparency and accountability of the public sector through institutional transformation and robust performance management, in partnership with UNDP, under a four-year programme titled "Reforms and Innovation in Government for High Performance".

In order to develop insights into various governance issues across the country, MoPDR has conducted a number of consultations on the subject, where feedback was sought from a wide array of stakeholders on a number of issues surrounding the area of governance reforms. These consultations started with the National Governance Forum held in 2014 at Islamabad and culminated with a National Workshop conducted at Bhurban in August 2015. These consultations have been immensely helpful in finalizing the reform agenda. However, besides providing valuable insights, these consultations have also widened the appetite for reform and have provided numerous opportunities to the stakeholders to exchange ideas and develop a network for mutual learning and collaboration. MoPDR now plans to make the Annual Governance Forum a regular event to provide a formal platform and opportunity to all the stakeholders within the governance domain to come together, share their successes and learning, provide feedback on what needs to be done and develop a strong network of reform champions within the country. It is in this context that MoPDR held the 2nd Pakistan Governance Forum 2015 as follow-on of the last year's Governance Forum.

Although federal government is not directly involved in many service delivery functions, besides Islamabad Capital Territory, it still has a very important policy making and coordination role at the provincial level. Additionally, federal government, if reformed, can also set best practices to be followed by the provinces. Therefore, through a series of Annual Governance Fora, MoPDR is endeavoring to provide strategic direction for governance reforms at all levels, including provincial and sub-provincial tiers. Furthermore, one of the goals of MoPDR is to demonstrate an effective citizen-centric governance model in the federal capital area, to provide a replicable model, which underlines the theme for this year's event.

1.2 Forum Objectives

The 2nd Pakistan Governance Forum was held on 31st December 2015 at Quaid-e-Azam Auditorium of International Islamic University, Faisal Masjid Campus Islamabad. The Forum brought together more than 28 Ministries and over 1,200 participants from the federal and provincial public sector, private sector, academia, media and civil society to showcase governance reforms in their areas of work, and to gather suggestions for 2016 onwards. The Forum aimed at achieving the following objectives:

- Stock-taking of various reform initiatives and progress achieved in various sub thematic areas of Pillar III of Vision 2025;
- Providing a plan of action for 2016 within the respective themes;
- Deliberating on workable citizen-centric governance models for Islamabad Capital Territory for improving service delivery;
- Disseminating Planning Commission's civil service reform agenda that forms part of its programme on "Reforms and Innovation in Government for High Performance";
- Providing a platform to various stakeholders to share their experiences;
- Creating an informal network of reform champions across the country to improve service delivery and embedding the paradigm shift towards citizen-centric governance;
- Creating public awareness of various reforms and initiatives taken by various ministries (Governance Expo).

1.3 Forum Structure

The Governance Forum was a day-long event entailing the following sessions:

- Inaugural Session of Governance Forum and Expo
- Roundup 2015 & Proposed Future Reforms – 12 Thematic Presentation Sessions
- Prioritizing 2016 Reform Agenda – 12 Thematic Work Group Discussions
- Concluding Session

The 2nd Pakistan Governance Forum was inaugurated by Prof. Ahsan Iqbal, Minister for Planning, Development and Reform; co-chaired by Mr. Saqib Shah Bukhari, Secretary MOPDR and Nadeem Hassan Asif, Secretary Establishment.

1.4 Forum Report

The Governance Forum report is structured in a way that Section 2 describes the thematic areas of the Governance Forum followed by thematic detailed progress and recommendations for 2016. Section 3 of the report highlights the Governance Expo organized to provide a platform to Ministries to demonstrate their reforms and initiatives to the general public and answer their queries.

2. Thematic Areas

Twelve sessions on various thematic areas were designed to run in parallel, followed by detailed question and answer sessions. All presentations were given by the respective reform owners within the government. The thrust of the presentations was two-fold: Roundup 2015 and Proposed Future Reform Agenda. The following list lays out various thematic workgroups along with the key presenters:

1. Civil Service Reforms: Nadeem Hassan Asif (Secretary Establishment);
2. Police & Criminal Justice System: Ehsan Ghani, DG (National Police Bureau-NPB);
3. Tax Reforms: Amin Dawood Saleh- (Federal Bureau of Revenue-FBR);
4. Accountability, Transparency & Open Government: Ms. Aliya Rasheed (Director General, Awareness & Prevention, National Accountability Bureau- NAB)
5. E-Governance: Mr. Muhammad Tariq Mushtaq (Member IT, Ministry of IT& Telecom);
6. Education: Mr. Hassan Iqbal (Secretary Education);
7. Health: Dr Safi Malik (Director, Programs);
8. Investment Climate: Ease of doing Business: Syed Iftikhar Hussain Babar (Secretary Board of Investment-BOI);
9. Islamabad Model City: Abdul Shakoor Sindhu (Advisor, SheherSaz¹);
10. Effective Local Government: Mr. Khalid Masood Ch. (Secretary, Local Government Department, Punjab);
11. Performance Management Systems: Hasan Rasool (United Nations Development Programme-UNDP);
12. Service Delivery & Citizens Charter: Dr. Tahir Hijazi (Member Governance).

The subsequent section dilates upon each thematic area separately.

2.1 Civil Service Reforms

MOPDR has been in broad consultations with various stakeholders on civil service reforms over the recent years. The Governance Forum, 2014 and a more specific Consultative Workshop held at Bhurban in September 2015 have served as significant platforms for these consultations. As a result of this wider series of consultations, representations from the private, academic and development sectors endorsed a range of civil service reforms across five areas: institutional structure, recruitment, capacity building, performance management, and compensation & benefits.

Vision 2025 also stipulates a complete overhaul of the civil services with a revised system of performance evaluation of public officials based on the work performed rather than subjective evaluation. In the new governance paradigm, an official will be expected to work towards specific deliverables, which will be formulated on the basis of outcome-impact rather than input-output.

Planning Commission's civil service reform agenda forms a part of its programme on "Reforms and Innovation in Government for High Performance". The aim of including civil service reforms in the agenda of 2nd Pakistan Governance Forum was to give Establishment Division a sense of ownership to lead the initiatives through implementing agencies. While civil service reforms package is already

¹ Non-governmental Organization

set for approval, Secretary Establishment Division informed the participants about the proposed reforms, which aimed at improving public service delivery through governance model with built-in transparency and accountability functions. The deliberations were conducted in the areas of induction, training, appraisal, promotion and compensation.

The growing population and burgeoning challenges of modern economy lead to a phenomenal increase in the demand for efficiency in service delivery. The public sector's response to this demand is an emerging need to provide the best governance model, improve services and ensure transparency in order to gain the trust of the taxpayer. The need to enhance accountability, transparency and inclusivity goes side by side with this. In order to cover these areas, a reforms package under the guidance of Ministry of Planning, Development and Reform with the support of the Establishment Division has been prepared.

One of the challenges to ensuring effective governance is the availability of efficient human resources. The first step to improving the quality of human resource is to improve the quality of selection. This has been an area where a huge room for improvement exists. The selection process is overwrought colossally because of the massive number of applicants who are screened for final selection, making it a tremendous issue for the Federal Public Service Commission (FPSC). To address this, it has been decided that a basic screening test would be conducted before the final selection procedure in the CSS Exams. This is expected to ease the strain on the selection process and allow the system to enhance the quality of selection. Moreover, another proposal in the pipeline recommends introducing more administrative groups in addition to the existing thirteen. The proposed new groups include the sectors of energy, legal, transport and communication.

Another important aspect of enhanced quality of human resource is training and capacity building. Although, training is already an integral part of the

promotion and career progression system within the civil service, recognizing its importance in the backdrop of growing learning opportunities in various fields, it has been proposed to introduce quality trainings in two tiers i.e. generalized and specialized. It is also recommended that people from public and private sectors should also be invited to take part in the generalized trainings. This calls for institutional strengthening of the training institutes, improvement in the faculty and review of the existing curricula along with the training design for various tiers. For example, the mandatory trainings for promotions like Mid-Management Career (MMC) course, Senior Management Course (SMC) and National Management Course (NMC) would be redesigned for 14, 20 and 22 weeks'

Governance Forum 2014 recap: It was agreed during Governance Forum 2014 that a comprehensive civil service reforms package for all levels of Government of Pakistan will be developed collectively by the Cabinet Secretariat, Establishment Division, and Finance Division for rationalization of institutions, rightsizing and revising the structure of the Civil Service, enhancing the remuneration to acceptable living standards, institutionalizing continuous training and modern HR management systems with emphasis on career management & planning systems. This will play a vital role in creating a more motivated, meritocratic, performance driven, professional civil services.

duration respectively. Through periodic training need assessment (TNA), the capacity gaps at individual level would be addressed.

Performance appraisal is another area that is critically important to the quality of human resource. In order to reform the existing mechanisms of performance appraisal, an innovative model has been proposed in partnership with the Establishment Division. The Model would be incorporated in the Annual Confidential Reports (ACRs) of the Basic Pay Scale (BPS) 17 & 18 officers, for the year 2016. The mechanism would be based on the Key Performance Indicators (KPIs) and specific tasks underneath each KPI. While assigning the scores, around 60% weightage would be given to the KPIs, while for the remaining 40%; new subjective traits would be added. These subjective traits would be graded based on unique numbers instead of the existing generalized method. In later stages, a similar system would be introduced for BPS 19 & 20 officers. The model is replicable and can be implemented by the Provincial Governments for their attached departments and autonomous operations as part of performance evaluation system.

Career progression and promotion in Pakistan's civil service is usually taken as a right that one earns through the number of years in service. In order to ensure the motivation level and quality of output by the officers, it is important that the promotions are based on integrity, competence, performance, quality of public service, pro-activeness, vision, leadership and team building. It is also recommended that the compensation should be commensurate with the level of responsibility. Posts with higher level of responsibility would be identified and promotions thereon should be made through a competitive process for fixed tenure. Moreover, compensation for that post would be awarded based on performance and level of responsibility.

2.1.1 Policy Recommendations

The participants of the Forum unanimously endorsed the proposal to bring the reforms package prepared by MoPDR. It was agreed that best human resource could be sought through stage-wise induction including screening followed by cluster-based examination. Introducing new administrative groups under the additional areas was also deemed necessary as has been adopted by other countries of the region. The recommendations on training, appraisal mechanism, promotion and compensation were also endorsed to make civil service more result oriented and transparent.

Reform Area	Description
Induction/ Recruitment	<p>Address major challenge of attracting the best and brightest human resource.</p> <p>Two-step induction system, like other countries in the region, to be introduced.</p> <p>1st Stage: Screening, 2nd stage: Examination, Cluster based examination.</p> <p>Introducing new administrative groups (energy, legal, transport & communication).</p>

Training	<p>Train the officers and convert them into public servants with common national ethos. Introduce intensive training through case study method.</p> <p>Duration of MCMC, SMC and NMC should be reduced to 14, 20 and 22 weeks respectively. Trainings should be segregated into generalized and specialized categories. Private sector to be included.</p> <p>Faculty to be selected through a competitive process and incentives introduced in order to keep the motivation level high.</p> <p>Continuous individual TNA and corresponding training.</p>
Appraisal	<p>Performance based quantifiable evaluation system (KPIs, tasks and weightage). Revised PER for BS-17 & BS-18 to be introduced from 2016 onward and for other grades in subsequent years.</p>
Promotion	<p>Promotion to be earned based on: integrity, competence, performance, public service, vision, leadership and team building.</p>
Compensation	<p>Compensation to be commensurate with the level of responsibility.</p> <p>Identification of posts with higher level of responsibility.</p> <p>Selection on high-responsibility posts through competitive process for a fixed tenure. Position and performance based compensation for these posts.</p>

2.2 Police & Criminal Justice System Reforms

The police and criminal justice system in Pakistan is in urgent need of reform. The areas which require attention are access, speed, cost and fairness in dispensation of justice, while remaining within the confines of the Constitution of Pakistan. One of the bedrocks of democracy and development is the police force that ensures the rule of law. Under the Vision 2025, the Government intends to re-establish the rule of law and improve public perception through effective delivery of public safety services; enhancement of the capacity of police; introduction of prosecution and public defenders' system; preparation of a new security policy to tackle the issue of terrorism; elimination of 'thana culture'; introduction of citizen police liaison/local police system and establishment of national and provincial databases of criminals in coordination with NADRA.

A number of loopholes were identified in the discussion session at Governance Forum 2015 such as weak investigation and prosecution process, inefficient operations, prevalence of corruption and trust deficit between the community and police. A participant pointed out that the police officials work for long hours and are under a lot of political pressure that forces them to resort to torture for extracting confessions from the accused. Another participant suggested that coordination with local NGOs might prove useful in handling some cases on psychological lines rather than using torture. A number of participants were of the view that it was necessary for the government to work on projects to improve criminal investigative and prosecution services.

It was also learned that people fear the police rather than taking them as their protectors. The need for a proper procedure to file complaints was emphasized upon excessively. It was suggested that

crimes should be reduced through social reforms and extensive research conducted to identify the key social causes of specific crimes. This evidence based knowledge could then be used as a preventive measure to prevent crimes. The unabashed frequency of crimes was largely attributed to the poor prosecution, which allows most of the perpetrators to go scot-free. It was, thus, strongly recommended that a robust system of investigation and prosecution should be created.

Similarly, the absence of internal intelligence system to monitor the police and a dearth of capacity building opportunities and professionalism needed to be addressed. Based on the idea that professionalism breeds specialization, one of the participants suggested that civil servants selected for police service should be given specialized courses and their job descriptions (JDs) defined. The performance of these civil servants should be regularly evaluated and they should be rewarded or punished accordingly.

Other key issues that emerged during the discussion included the inability of NAB to carry out across-the-board accountability and police being seen as serving only the elite. According to the presentations, a shift in system is proposed for linking the police reforms to the National Action Plan. As per the general opinion during the deliberation, the police need to be decentralized with no political interference whatsoever. The primary job of the police is to fight crime and not give allied services to the elite/government officials, participants said. It was also advised that municipal police be introduced.

A participant claimed that reforms were only targeted at grade 17 to 22 officials, who make up only 2% of the police, whereas the rest of the 98% had been ignored, the core of which consisted of constables and inspectors. It was therefore recommended that the latter be

included in trainings and refresher courses as well. It was also proposed that the police needed to be recruited based on the training programs given to candidates. In response to the claim that the reforms catered to only 2% of the Police, a participant commented that if the person on the top is competent, a trickle-down effect follows.

There was a consensus among the participants upon the lack of motivation and inequitable compensation packages of the police officials being a major cause of their poor performance and hence the need for revision of the remuneration packages of the police. Based on the fact that the job of the police demands longer working hours and involves high risk, the remuneration was recommended to be higher than the rest of civil service cadres. Absence of incentives like promotions or other benefits for the police based on performance and gallantry was cited as another factor affecting motivation levels. It was also pointed out that too many responsibilities are vested in particular posts, e.g. the position of Station House Officer (SHO) which calls for serious restructuring of the police system and rationalization of concentration of authority.

Governance Forum 2014 recap: The following key initiatives were recommended during the previous Forum:

- *Community policing initiatives and more responsive policing*
- *Evidence-based infrastructure development*
- *One-window operations to facilitate service-users, particularly women*
- *Centralized police databases*
- *Uniformity and standardization of policing rules and laws*

The discussants agreed that the Government needed to run mass media campaigns for public awareness about the rules and regulations as well as warnings on violations of law.

On a macro level, specific recommendations included the development of an offender tracking system alongside a crimes' database; digitalized police record and a management information system (MIS). Furthermore, it was agreed that the 'thana culture' needed to be changed by inducting people with social science background.

Other important recommendations included technology-based policing with an easy-to-use lodging system of First Information Report (FIRs), e.g. FIRs through text messages, separation of criminal & juvenile justice systems (CJS & JJS) and upgrading of prisons. It was also suggested that the students from the educational institutions, who are abreast with emerging techniques and equipped with the relevant knowledge, needed to be involved in the reforms process.

It was pointed out that there was very little presence of the police in smaller towns and remote areas. Therefore, there was a need to build partnership between the community and the police. It was suggested that police executive workshops along with police trainings were highly needed alongside an audit of Police Training Institutes.

Other recommendations included performance based incentives; better coordination between investigators and prosecutors; better management of prisons to prevent overcrowding; better bail-granting procedures; the development and implementation of a National Internal Security Policy; automated finger print identification system, and the establishment of a Commission for Criminal Justice Reforms.

2.2.1 Policy Recommendations

The session was structured around key challenges/issues and reform initiatives by the present government and proposals for improvements thereon. The key recommendation entailed resolving the issue of external influences in police and modifying police internal accountability mechanisms. It was proposed that Police Order 2002 be implemented in its true spirit to combat the challenges faced by the police. Deliberations among participants also identified irresponsible policing as another challenge alongside the 'thana culture'.

Key Reforms & Recommendations Governance Forum 2015:

Reform Area	Description
External influences in Police	Police accountability mechanism to be in place, adoption of Police Order 2002 in its original form & totality throughout the country is recommended. This initiative will meet the need of correction in police internal accountability mechanism so that police can combat external influence.
Thana Culture	In order to address irresponsible policing and poor service delivery, the government has initiated community policing project. However, the service delivery can also be improved through introducing standard operating procedures for service delivery & efficiently addressing the complaints; Responsive Policing Project and audit of Police Training Institutes.

Professional training and capacity building	The government has initiated projects like capacity building of police, Criminal Investigative Services Project, Investigation & Prosecution (PACT) Project and Police Executive Workshops. The group recommended introducing an institutional recruitment mechanism and other soft interventions to build professional capacity.
People/community perception and trust of police	The mass media campaign to solicit policy makers' and public support for Pakistan police and Community Policing Project is underway to build trust in public.
Weak prosecution	To address the issue of weak prosecution, it is recommended to take steps in developing better service structure & training, performance based incentives and creating better coordination between investigators and prosecutors.
Prisons overcrowding and poor service structure	Major reforms are needed in better bail granting procedures.
Security & Counter Terrorism	The government is already taking up NISP (National Internal Security Policy) and NAP (National Action Plan). The group called upon implementation of policies and plans.
Crime Database	The Police Record & Office Management Information System, Pakistan Automated Finger Prints Identification System and Safe City Projects are underway.
Formation of a Criminal Justice System Reforms Commission	It was recommended that an independent commission be established in order to put up recommendations within a specific period of time. The Commission must have representation from all pillars of CJS with a mandate to review all previous reform initiatives and cater for all pillars of criminal justice system.

2.3 Tax Reforms

The main emphasis of the tax administration reform is on promoting voluntary tax compliance through an enhanced level of taxpayer's facilitation. In the long run, any administrative reforms should also enable tax administrators to effectively tackle delinquent taxpayers through a system of audit and penalties. The already initiated reform agenda of the Federal Board of Revenue (FBR) to enhance its revenue collection effort and service standards is being completed under Vision 2025. This will enhance revenue collection through a broad-based tax system by using IT data, gradually reducing tax exemptions, simplifying rules, accountability, transparency, integrity, publication of the annual tax directory and providing transparent and high quality tax services. Moving forward, focus should be on broadening the tax net and eliminating corruption from the FBR.

There are several opportunities for enhancing the tax-to-GDP ratio:

- i. The implementation of a full Value Added Tax (VAT) or wholesale reductions in exemptions and concessions (eliminate SRO power);
- ii. Fully incorporating services into the tax net; and
- iii. Considerable improvement on the tax administration front; developing and implementing a comprehensive strategy to strengthen tax administration with focus on significantly stepping-up the FBR's enforcement activities and strengthening its legal authority plus digitalization of tax records.

The implementation of tax reforms, along with other endogenous growth factors will help in ensuring a stable and sustained trajectory of higher growth rates.

2.3.1 Policy Recommendations

Key Issues: The key issues of Pakistan's tax system faced in the previous two years were efficiency and leadership crises, revenue collection from a narrow tax base; stalled audits of several years; distorting tax exemptions; low performing macroeconomic indicators; and low tax to GDP ratio. These issues coupled with the lack of automation, enforcement and compliance worsened the situation due to which the revenue collection in 2012-13 was only 3.4%.

Key Initiatives: Recently, various initiatives and reforms have been introduced in the system leading to a higher tax collection ratio of 14.3% in 2015-16 (Jul-Oct) as compared to 15% in 2014-15. These initiatives include rationalization of SROs; reforms in tariff collection; withdrawal of the powers to issue concessionary SROs; differential taxation for filers and non-filers; conversion of CNIC to NTN; behavioral change initiatives and establishment of tax reform commission.

The thematic area of tax reforms was not included as separate area of discussions for reform in Governance Forum 2014; however, the issues related to tax were covered under proposals of ease of doing business and e-governance.

Reform Area	Description
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Administrative Reforms	It was also informed by FBR that administrative reforms have been introduced in the system to simplify the procedures and bring improvements in performance. The significant reforms underway are broadening tax base (BTB) initiatives that include broadening tax base by comprehensively covering all tax streams. The audit coverage has also been expanded. The sales tax registration process has been made available through risk based registration system in sales tax. The production volumes are being monitored electronically.
	<p>The CREST system has been implemented by FBR keeping in view the objectives of providing;</p> <ol style="list-style-type: none"> i) a clean voluntary compliance system to remove the irritants that hurdle the complaints; ii) fully automated setup to minimize human interference; iii) provide tax gap analysis to indicate areas of revenue leakage; iv) a valuable tool to monitor the performance of machinery;

	v) Provide an air of transparency and efficiency to entire taxation system. The measures to facilitate trade and customs includes roll out of WeBOC, transit trade management system and execution of anti-smuggling strategy.
Engaging Citizens in Tax Reforms	In order to make tax-filing process more citizen-friendly, FBR ensured that the systems are not complex, understandable and accessible through introducing IRIS- a web based online standardized system for e filing.

Way Forward: It was agreed that in order to improve tax-to-GDP ratio from 9.5% to 15% and achieve higher revenue growth, the current initiatives will be continued. The other measures will cover: maximizing collection through broadening of tax base and better administrative measures; facilitating the genuine taxpayers with the enhanced use of information & communication technology; providing level playing field to all stakeholders through plugging of leakages in the system; increasing the use of risk management techniques for optimum utilization of resources and taxpayers facilitation; and removing bottlenecks in complicated business processes.

2.4 Accountability, Transparency & Open Government

Two of the major challenges in improving governance are to act against corruption, that is widely seen as having seeped into the administrative fabric, and to improve accountability and transparency. The evidence is mounting that systematic corruption exacts a heavy price from development activities by reducing investment, increasing capital costs and increasing the time business executives spend negotiating with government officials. Vision 2025 stipulates various steps in this direction, including:

- (i) Preparation and implementation of the National Anti-Corruption Strategy;
- (ii) Establishment of an autonomous (financially & administratively) National Accountability Commission;
- (iii) Strengthening governance institutions through enhanced capacity and integrity;
- (iv) Public sector management agenda, consisting of actions to make markets competitive and supporting improvements in public administration;
- (v) Development of proper institutional and legal frameworks;
- (vi) Strengthening audit functions to improve resource allocation while making embezzlement more easily detectable;
- (vii) Procurement reforms, while reducing transaction costs making fraud more difficult to perpetrate;
- (viii) Civil service reforms, while improving procedures for recruitment and promotion that build capacity and help reduce patronage and nepotism;
- (ix) Freedom of information through constitutional provision;
- (x) Review/ updating of existing law against cyber-crime and Intellectual Property Rights (IPR) violation;
- (xi) Training of investigation officers in the field of serious white crimes including banking and internet frauds, cyber offences, money laundering, terrorist financing etc.;
- (xii) Enforcement and streamlining regulations that improve public management and introduction of preventive tools/a code of conduct which reduces opportunities for corruption; and
- (xiii) Enhancing public awareness on good governance and corruption.

Governance Forum 2014 recap: The following priorities were highlighted during the last Forum:

- *Improved screening for promotion of Grade 19 Officers*
- *Granting provincial status to FATA and PATA*
- *Creation of online facilities and new accountabilities through ICT*
- *Strengthening of the PAC*
- *Improved posting of Chief Finance & Accounts Officers (CFAOs) in all the ministries*
- *Pay & pension reforms*
- *Strengthening accountability mechanisms and relevant legal provisions for transparency, as well as raising awareness for anticorruption*
- *Improved development planning by the MoPDR and capacity building across the board for all Ministries, especially the Audit and Accounts cadre*
- *Revisiting the role of public sector corporations and prioritizing privatization*

Open Government is also an important topic under this theme. Pakistan has undergone a historic democratic transition, in the wake of which citizens are becoming more and more aware of their rights and more inclined to hold their leaders accountable.

There is a greater realization that "closed" governance system cannot deliver quality services efficiently to the citizens. Thus an important requirement for transforming future governments and ensuring transparency and accountability through citizen feedback is through the adoption of open government and open data. This involves making data related to public service delivery and socio-economic development, available to the public through the World Wide Web, for informed citizen feedback and greater transparency in government processes to keep a check on corruption.

Moving to an open government platform requires not only the enforcement of the Right to Information Act, but also a strong ICT infrastructure that can handle transfer and sharing of exorbitant amounts of data as well as strong cyber-security measures to protect data concerning national security. Some of the foundations, such as the Right to Information Act, are already in place albeit open to improvements.

The participants discussed the issue of excessive nationwide corruption and ways to eliminate it. Malpractices like misuse of authority, fraud, nepotism and embezzlement are common in our society and are closely linked to corruption. Actions are required to prevent penetration of corruption into our future generations. The first step taken by National Accountability Bureau is educating our society with the slogan "Say No to Corruption". The purpose of this slogan is to spread the message to all the segments of the society and make them join hands in the fight against the menace. Some of the other steps taken in this direction include:

- Awareness lectures delivered at SECP and PEMRA;
- The President of Pakistan launched the story book of famous national character GOGI as "GOGI Says No to Corruption";
- National College of Arts is preparing a coloring book, with "Say No to Corruption" written on every page;
- The same slogan has also been introduced on utility bills, PIA and ATM machines for greater public awareness;
- The academic institutions have also been sensitized on corruption and an MOU has been signed with Higher Education Commission (HEC) to bring into the notice of all the universities to hold monthly walks on "Say No to Corruption", and conduct essay and debate competitions to bring forth views of students on corruption;
- Special lectures have been delivered at National University of Modern Languages, Fatima Jinnah Women University, Allama Iqbal Open University, Frobel's, Elite School and Roots School;
- The Cabinet Division was notified to ensure that all the tender notices issued by the Cabinet division, Finance Ministry, Establishment Division and all the advertisements in the newspapers bear the slogan "Say No to Corruption";
- Standees bearing the slogan "Say No to Corruption" have been placed in public places and hotels like Serena, Marriot, PC, Centaurus Mall, Dolman Center and in offices of international organizations like United Nations;
- National newspapers like Dawn and the others have been invited to participate in this cause pro bono. Dawn News publishes a free advertisement every month to support the cause.

NAB has reached out to various government institutions in order to check corrupt practices. The Bureau examines all the public contracts worth Rs. 50 million and above for clearance. A checklist

outlining transparent practices has been sent to all government institutions for compliance. This acts as a preventive measure against malpractices. Under Section C-33, every government institution is required to constitute a Prevention Committee.

2.4.1 Policy Recommendations

The group discussion focused on the key governance/reform challenges; efforts initiated by the present government; and key recommendations for improvement.

Key Reforms & Recommendations Governance Forum 2015:

Reform Area	Description
Tax Evasion	<p>Prevention Committee on Tax Evasion finalized its recommendations and forwarded to Government of Pakistan for implementation. Few salient recommendations are:</p> <ul style="list-style-type: none"> • Use of automation; • Separation of regulatory and implementation function from FBR; • Foreign remittance / foreign assets and withdrawal of Section 111(4); • Measures to maximize documentation of economy and broadening of tax base; • Introduction of foolproof system to collect tax from professionals and others.
Health Recommendations	<p>Prevention Committee on Health Affairs finalized its recommendations and forwarded to Government of Pakistan for implementation. Few salient recommendations are:</p> <ul style="list-style-type: none"> • Reformation in pharmaceutical evaluations and registration division; • Reformation in costing and pricing division; • Reformation in drug licensing, quality assurance, laboratory testing and pharmacy services division; • Reformation of health & over-the-counter (OTC) products / medical devices / medicated cosmetics; • Guidelines for procurement of syringes and vaccines;
Hajj Transparency	<p>Prevention Committee on Religious Affairs finalized its recommendations and forwarded to Government of Pakistan for implementation. Few salient recommendations are:</p> <ul style="list-style-type: none"> • Allocation of quota for Hajj Group Organizers (HGOs) • Registration of Hajj Group Organizers (HGOs) for fairness and transparency in the management of Hajjis • HGOs agreements' verification and monitoring • Audit Of Pilgrim Welfare Fund

Awareness Activities	<p>To generalize the concept, a commemorative postal stamp was issued on International Anti-Corruption Day 9th Dec, 2014</p> <ul style="list-style-type: none"> • "Say No to Corruption" – driving licenses • Awareness walk: National Accountability Bureau organized a walk led by the President of Pakistan to educate evil impact of corruption on 10th March 2015. • Pakistan Cricket Team • "Say No to Corruption" – Utility Bills • "Say No to Corruption" - ATM (Pakistan)" • "Say No to Corruption" message on ID card carrier paper – NADRA • Memorandum of Understanding with Higher Education Commission to focus on youth of this country and jointly conduct awareness activities against corruption in universities across the country • Anti-corruption awareness activities in collaboration with Pakistan International Airlines • "Say No to Corruption" message on letter heads – NAB's correspondence • Message "Say No to Corruption" on Tender Notices issued by the Government
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2.5 E-Governance

E-Governance is a fast emerging tool for good governance particularly with regards to improving efficiency, transparency and making interface with the government easier for the citizens. Realizing the importance of e-governance, Pakistan adopted it in the last decade and established a Ministry of Information Technology that facilitates in making the government paperless and accessible to the citizens.

So far, the emphasis of e-governance initiatives has been on providing connectivity, networking, technology up-gradation, selective delivery systems for information & services and a package of software solutions. The Vision 2025 emphasizes a focus on the re-engineering of procedures and rules, which are the core of any effective e-governance programme. Issues of sustainability, interactivity and standardization of e-governance activities need to be addressed too.

Furthermore, one of the major initiatives envisaged in the IT sector for promoting greater connectivity is increased access of the citizens to IT tools. Capacity development within the public sector should also be carried out to ensure that there is greater familiarity with electronic procedures within the government quarters. If pursued effectively e-governance would bring transparency and efficiency in bureaucratic processes as well as accountability through citizens' feedback.

The framework of e-governance is based on three functionalities; *i.e.*, Government-to-Government (G2G), Government-to-Citizens (G2C) and Government-to-Business (G2B). These functionalities need

to be developed and evolved. As of now, the G2C functionality is the weakest link which needs to be addressed through better infrastructure. An information distillation system mobile needs to be established in order to facilitate the citizens. G2G also requires further improvement. The IT sector holds a huge room for improvement especially in the backdrop of its growth (40%) last year. According to available data the IT market of Pakistan is worth 2.5 billion USD. The State Bank has also worked on its IT needs and digitalized most of its procedures using IT services.

Pakistan has a growing number of freelance experts in the IT sector. Forum participants noted that initiatives should be taken to provide a proper platform and infrastructure to enhance freelancer's capabilities in order to utilize their potential at optimum level. The ratio of internet users in Pakistan has increased from 3% to 15% (by numbers- 3 million to 25 million) with 3G and 4G playing a major role in this increase. In order to enhance the citizens' access to e-governance tools and facilitate wider connectivity, Wi-Fi services should be made available throughout the city. The next step in this process would be to develop citizens' capacities in using IT tools for e-governance. One such recent initiative has engaged as many as 5000 girls for IT training in collaboration with Microsoft and Universal Service Fund (USF).

The Forum was informed that the Software Export Board and Ministry of IT were planning to establish a software park in Chak Shehzad, Islamabad with the academia and IT professionals. To promote e-governance and easy access to the demand side, the Ministry of IT has gone digital and works in a paperless environment. Similarly, an e-health application is also being promoted in public sector hospitals. The Federal Public Service Commission (FPSC) has also gone paperless, saving around Rs. 8 million under the budget line for stationary.

In order to utilize e-governance in the realm of business, the concept of e-commerce has been introduced. It has two phases; regulation framework and consumer framework. Whereas the State Bank has approved regulation framework, the draft for consumer's framework has been prepared and will be implemented. The

Forum was informed that measures have been taken to protect the regulatory process as well as the consumer framework from cybercrimes. It was informed that Intel is planning to replicate programs similar to Digital India, inaugurated recently by Prime Minister Modi, in Sri Lanka and Pakistan next year.

Governance Forum 2014 recap: The Governance Forum 2014 endorsed that the standardization of e-governance planning and implementation will serve as guide for future referencing. The Forum also recommended the following measures:

- *Finalization of National E-Governance framework;*
- *Constituting a regular IT Cadre with market based salary structure;*
- *Public awareness campaign about services being provided through ICT;*
- *Formation of a National Coordination Forum for coordination among federal & provincial IT boards and other agencies; and*
- *Formulation of Engagement Platforms on ICT matters.*

It was suggested that new and emerging technologies in terms of greater connectivity could be incorporated in public sector for greater transparency. For example, cloud computing² for efficient service delivery could be brought in. Currently, the tax department is working on establishing an all-purpose online system on cloud to make information more accessible to the users. In the services sector especially it would be phenomenally useful in terms of increased efficiency as well as transparency. Similarly, the concept of G Cloud³, as being implemented by the UK Government and many others, could be introduced for making public sector service delivery easily available to the users. It was noted that if the government wants to implement G-Cloud frameworks, it could work with institutions like NADRA and FBR since they already have massive databases. Once G-Cloud is there, all the data can be analyzed and packaged for making open government possible.

The Forum participants highlighted other areas where the use of IT could bring improvements in accessing and using services by the citizens. Information idea system for traffic, for example, as a mobile based application could be useful for citizens. But in case of mobile-based traffic application, it was noted, immense infrastructure would be needed that could support the use of such an app. In Pakistan, however, there is a general lack of the use of technology as well suitable infrastructure for that.

On the demand side, the participants observed that steps for capacity building in using technology needed to be instituted. This can be done in a manner that empowers marginalized sections of society especially women, and bridges the digital divide between the rural and urban population. Encouraging public-private partnerships, which at the moment are minimal, can make such measures more effective.

Unfortunately, it was observed, that when it comes to mega projects the Ministries have been seen to be reluctant in collaborating with the private sector. The Ministry of IT, it was suggested, should be more proactive rather than reactive especially in such initiatives.

2.5.1 Policy Recommendations

The participants discussed that the progress on the previous reforms will be completed in 2016 and improvements will be made where required. The way forward for the reforms includes implementation in the areas of e-office, e-health, e-recruitment, e-procurement, e-enablement and G-cloud as described below;

Reform Area	Description
E-Office Phase-II	The e-Office Suite will be implemented in another 10 Ministries/ Division in Phase-II (FY 2016-17).
E-Health	Completion of HMIS in Children Hospital, PIMS
E-Recruitment	Development of software modules for internal processes of FPSC
E-Security	Provision of ICT infrastructure at Federal Investigation Agency (FIA); Automation of core business processes of FIA.

² According to IBM, cloud computing, often referred to as simply "the cloud," is the delivery of on-demand computing resources—everything from applications to data centers—over the Internet on a pay-for-use basis.

³ As per UK Government's Guiding Notes, The G-Cloud framework is an agreement between the government and suppliers who provide cloud-based services. G-Cloud services are divided into 4 categories, or 'lots': Infrastructure as Service, Platform as Service, Software as Service & Specialist Cloud Services. More details available at: <https://www.gov.uk/guidance/the-g-cloud-framework-on-the-digital-marketplace>

E-enablement of Prime Minister's Office	Provision of ICT infrastructure at PM Office; Automation of core business processes of PM Office.
E-Procurement	E-Procurement is the process of purchasing, from the initial identification of the requirement through the tendering process, to the payment and potentially the contract management; e-procurement systems have proven to be an effective tool for instituting procurement reforms and establishing a fully transparent and open procurement environment; Significant improvement in transparency: traceability of all transactions. Preparation of Project proposal and feasibility study in consultation with Government of Korea through EAD.
G-Cloud	The cloud based citizen centric services to the Federal Ministries / Divisions /Departments. Infrastructure development is the pre requisite for e-government, better service delivery and public service improvement. The paradigm of cloud computing, which has been introduced and developed, offers means for better and economical service delivery for public as well as Government. Preparation of project proposal and feasibility study in consultation with Government of Korea through EAD.

2.6 Education Sector Reforms

Education is one of the core pillars of service delivery and any citizen-centric governance must encompass improvement in the education sector. Pakistan Vision 2025 aims at substantial expansion in delivery of education at all levels as well as improvements in the quality of education. The process will be led by the provinces as it is a devolved function, however the Federal Government will play the role of a catalyst in partnership with the provinces to transform the education system in the country.

Government at all levels will ensure that individuals are able to pursue their economic, social, and intellectual objectives in the best possible way. The Provincial Governments are committed to achieve the Millennium Development Goals especially in the area of education by increasing their education budgets significantly, the Forum participants noted. The Federal Government would help Provincial Governments in not only improving the coverage but also the quality of education thereby reducing educational inequities across the four provinces.

Among the many challenges that the education sector in Pakistan faces, one is the high dropout rate and lower retention in schools especially in the rural areas. The poor quality of education results in lack of basic cognitive ability among the pupils. In order to improve these conditions, multiple projects have been initiated and many are currently underway. Some of the areas highlighted during the last Governance Forum were: the quality of government teachers and head masters; school materials which include textbooks, workbooks etc.; and infrastructure development. As described earlier, after the 18th Constitutional Amendment, education exclusively falls under the jurisdiction of Provincial Governments. However, education in the Federal Capital Territory remains under federal control and provides an opportunity to demonstrate a workable model for replication elsewhere. One of the potential models could be the establishment of independent education authority in Islamabad, which could bring about the requisite improvements in the sector.

2.6.1 Policy Recommendations

Key Reforms & Recommendations Governance Forum 2015:

Governance Forum 2014 recap: The core areas identified for reforms after detailed deliberations were as follows:

- *Improved management of teachers to reduce teacher absenteeism, enhance transparency and accountability through establishment of HRMIS, among other measures.*
- *Improving teacher quality: through standardization and certification of pre-service teacher education, introduction of subject specialists in pre-service training, among other measures.*
- *NEMIS and Provincial Education Departments to incorporate data on private schools and learning outcomes in school census*
- *Strengthening SMCs through community involvement*
- *Establish network of libraries:*
- *Improved education sector management at the district level by strengthening the capacity and recruitment of EDOs*

HRMIS: Human Resource Management Information System

NEMIS: National Educational Management Information System

SMC: School Management Committees

Reform Area	Description
Education spending and system	The group suggested that a National Education Census (NEC) of 2005/06, which was the first education census conducted in the history of Pakistan to collect information on all types of schools, should be conducted. Education is among the sectors with least government spending, i.e., less than 4% of GDP. The participants called for increased allocation on education and a uniform education system and curriculum for national unity and cohesion. It was also suggested that official Language-Urdu be also introduced as medium of instructions.
Higher Education Commission	It was proposed that the Quality Enhancement Cells in Higher Education Commission (HEC) should be strengthened and Provincial HEC's to be

	given the role of monitoring and strengthening of college education rather than policy-making. Other proposals were to revive HEC's National Teacher Education Program and monitoring of statutory compliance by universities. The Forum called upon HEC to promote the spirit of entrepreneurship.
National Teacher's Award	In order to encourage teachers to perform better it was suggested that the credentials of the National Teacher's Award be made public so that poor teachers can be reprimanded.
Management of teachers	Provincial education sector management departments to reduce teacher absenteeism, transparency and accountability through establishment of HRMIS, clear job description of teacher role, ACRs according to teacher level, introduction of teacher certification, introduction of special cadre for school administrators. Innovative teaching methodologies should also be introduced for better learning skills and outputs. Enhancement in salary structure of teachers. Teacher performance in higher education should be measured by the number of researchers and patents and not the number of students in the classroom.
Curriculum & Other Programs	Launch nutrition program at primary levels to counter rampant malnutrition at district level. Make technical/vocational training part of the syllabus after class VIII. Every child must learn at least one trade. Civic laws to be introduced and made part of the curriculum.

2.7 Health Sector Reforms

According to Vision 2025, some of the main reasons constraining the governance of health system are: the absence of adequate national health policy framework; dearth of inter provincial harmonization on health policy development; lack of federal regulatory authority for coordination of international funding; lack of use of national health information due to limited reporting mechanisms; absence of aligning health strategies with financial forecasting; irregular donor coordination and fragmented functions and coordination of activities.

Governance Forum 2014 recap: During the first Governance Forum in 2014 detailed deliberations were held among different stakeholders wherein various short, medium and long term reforms were proposed. Major points of agreement included:

- *Standardization of national health policies & protocols;*
- *Strengthening of Health Information System in ICT;*
- *Referral system between healthcare centers and healthcare managers in ICT;*
- *Inter-provincial coordination with MNCH cells in provincial DGHs;*
- *Centralized integrated disease surveillance system with interprovincial information sharing*
- *HRH forecasting for smooth implementation of national health policy;*
- *National HRH Policy;*
- *Utilization of a central LMIS;*
- *Establishment of Pakistan Medical Laboratories Regulatory Authority;*
- *Guidelines, rules/regulations and SOPs for good practices*
- *Strengthened quality control of health education;*
- *Standardization of Central Drug Testing Format for registration of drugs;*
- *Formulation of Pharmaco-vigilance system;*
- *Formulation of National Drug Policy and Pricing Policy;*
- *Initiation of Anti Spurious Code campaign;*
- *National Action Plan for AMR;*
- *Improved linkages between national health strategies, MTBF & forward expenditure estimates;*
- *Development of Management Accountability Framework (MAF); and formulate central regulatory & accountability mechanisms.*

MNCH: Maternal, New-born & Child Health; HRH: Human Resource Health; LMIS: Logistic Management Info System; SOP: Standard Operating Procedures; AMR: Antimicrobial Resistance; MTBF: Medium Term Budgetary Framework;

The guideline broadly defined by the Vision 2025 aims to develop a shared understanding of the health value chain in partnership with the provinces as well as with the general public. Supplemented with a functioning information system, this understanding will help plan, monitor, and evaluate the impact of infrastructure (water and sanitation), hygiene, prenatal and postnatal treatments, food and diet, preventive healthcare, primary healthcare, drug regulation, and population control on the health outcomes of people. The emphasis is laid upon working with the provinces on universal access to healthcare and ensuring a minimum level of service delivery throughout the country.

Health also is a provincial subject post-18th Constitutional Amendment, however, there is a need to reform health sector in the Federal Capital Territory and establish a successful model for replication elsewhere. There is a need to also deliberate on establishing an autonomous health authority in Islamabad. Stronger governance will improve the efficiency of public health sector spending. Moreover, coordination of health policies among the provinces and with the center should be strengthened.

It was argued during the Forum that in order to encourage the investment in health sector, there was a need to discourage investments in other sectors, e.g., the real-estate sector for one. Analysis shows, some participants said, that this sector drains huge amount of money, which could be utilized to improve social sector like health. Lack of follow up on policy outcomes and subsequent reforms is one major problem that prevents results from trickling down. These issues can be addressed by strengthening continuous monitoring in a professional manner alongside appropriate follow up wherever needed.

It was observed that there was dire need for exploring new innovative ideas in the health sector specifically to promote personal hygiene as part of preventive healthcare especially in rural and downtrodden urban areas. During the deliberations in this group, it was proposed by NHW⁴ that incentives may be provided for personal hygiene items, e.g. advertisements for products like toothpastes, soaps, plastic slippers etc. followed by the awareness literature.

2.7.1 Policy Recommendations

Health sector is built on six blocks, viz., governance, service delivery, health information, healthcare financing, human resource and medical products & technologies. In order to achieve the goals envisioned in Vision 2025 and SDGs targets, a more focused and coordinated approach amongst all sectors is needed. The participants agreed that the health sector is constrained by various factors, including absence of National Health Policy Framework, lack of inter-provincial harmonization on health policy development, lack of federal regulatory authority, lack of coordination for international funding, lack of national health information, absence of aligning health sector strategies with finances, irregular donor coordination, health reforms in ICT – FHA.

Steps Taken to Strengthen Coordination

High level Inter Ministerial Coordination Forum	Pakistan Health & Population Coordination Forum formed.
Health Policy System	<p>Health Policy System strengthening & Information analysis Unit – linked with Provincial HSRUs.</p> <p>The scope of HPSIU at Ministry is to play role as an advisory hub on technical matters / reform process / HSS; policy papers on health policy & planning; align all health system strengthening activities in the country; health information analysis; web based dashboard & DHIS linkage; provincial support and linkages with HSRU / planning cells and linkages with NHIRC & provincial DHIS cells.</p> <p>The progress made so far includes; consultants have been hired and are working; Provincial HSRUs are focal points for the HPSIU and for inter-sectoral collaboration & provincial linkages regarding all new initiatives in health sector. National dashboard having key indicators being developed at website of the Ministry will be placed within HPSIU.</p>
Health & Population	Health & Population donor's coordination forum with representation of

⁴ Nutrition, Health, Wellness

donors coordination	Provincial DGHS has been formed and meets quarterly.
Disease Surveillance & Response	TWG for disease surveillance & response (Provincial DGHS as members).
Focal points by Provinces to coordinate with the Ministry	Nomination of focal points by provinces to coordinate with the Ministry i.e. DGHS/ HSRU/ HPSU / CPO.
NCDs & Mental Health Units	NCDs & mental health units linked with provincial units.
DRAP	DRAP established & being strengthened i.e. licensing, pricing & registration – provinces.

New Reform Initiatives

Strengthening of Technical Wing of M/o NHR&C	Strengthening of Technical Wing of M/o NHR&C to execute its role & responsibilities. PC 1 for strengthening the Ministry is being developed to enable it to take all the initiatives and reform work forward. This would include resources for establishing and strengthening of HPSIU, SDG Unit, NCDs and MH Unit and DHIS/Dashboard.
National Dashboard	National Dashboard having key indicators / NHIRC linkage to Provincial DHIS. Director General Annual Report for public health sector & international reporting required SDGs reporting. All information/data from various surveys has been entered. Key indicators, linked up with provincial dashboards / DHIS – National dashboard to display all four databases at HPSIU. These include DHIS – Online, Vertical Program Data & National Health Accounts; team of epidemiologist would analyze data & provide policy briefs. Approval from all provinces for sharing the DHIS data with national level; Notification by 3 DoHs to link provincial DHIS with Ministry / Dashboard & NHIRC. NHIRC has been transferred from cabinet division to Ministry – staff of NHIRC shifted to Ministry's building which will be reactivated by hiring of technical staff & with support from partners.
National Health Vision	Notification of HPSIU.
Universal Health Coverage	To ensure universal health coverage; Prime Minister's National Health Insurance Program launched (PMNHIP, PC -1, Rs. 9.1 Billion). A major step towards UHC & to address inequity has been taken through program. The PM Health insurance scheme in its phase 1 will cover 15 districts. The eligibility for the card is for people below poverty line.
10 Point National Vision	10 Point National Vision document on Reproductive, Maternal, Newborn and Child Health (RMNCH) and Nutrition Services developed & endorsed by

	<p>provinces</p> <p>On PM directives, Ministry in consultation of all provinces developed RMNCH ten point vision document (endorsed by all provinces) to improve the access & quality of RMNCH services ensuring <u>continuum of care</u> including newborn care, improved quality of care at primary and secondary level facilities, overcoming financial barriers to care seeking and uptake of interventions, investing in addressing social determinants of health, measurement & action at district level, national /provincial accountability & oversight, generation of the political will to support RMNCH as a key priority within the Sustainable Development Goals.</p> <p><i>Way Forward:</i> National proposal for RMNCAH under development to secure additional funds from global RMNCH trust fund placed at World Bank, through EAD.</p>
RMNCH Trust Fund for MDG 4&5	RMNCH Trust Fund for MDG 4&5 (8 million USD – 36 high priority districts – 1 year). The fund aims at establishing joint efforts by Federal and Provincial governments to fill in critical gaps in RMNCH trust fund area to improve service delivery & maternal and child health indicators.
Resource Management	To manage huge burden due to NCDs & Mental Health – Implementation through PHC approach (MH pilot in 4 districts, 1 per province). So far, NCD & Mental Health focal person & unit established at national & provincial levels, consultative meetings held at all 4 four provinces & policy decision by provinces for implementing priority illnesses through PHC taken.
International Health Regulation	PC-1 for drafting & establishment of coordination unit is under process.
ISO Certification of Ministry	The scope of work includes awareness and capacity building of Ministry of NHSRC's staff, review existing system & procedures, development and configuration of state of the art quality management system and verification of system implementation. The objectives will be met in 5 phases.
Research for Health Policy	In order to research current health policy and assist in evidence based policy making, an independent think tank has been proposed as an independent advisory body of M/o NHSRC.
Health regulatory bill for ICT	Health regulatory bill for ICT health sector submitted to Cabinet for approval.
Steps to reduce mortality and morbidity	Consultant has been hired to develop National Policy document for Anti-Microbial Resistance (AMR).
PC-s for Polio & EPI	PC-s for Polio & EPI has been considered by CDWP and awaiting ECNEC approval.
GAVI application for HSS	GAVI application for HSS – 84 million USD for 3 years. The project is designed to cover 7 objectives including; program management, human resource

	management, costing, cold chain logistics, service delivery, surveillance and reporting and communication and advocacy.
Strengthening of Disease Surveillance mechanism	UK.AID 1.8 M pounds for Federal & Punjab – National Strategic Plan. The objective of this program is to develop an integrated approach to governance, management and coordination at the federal, provincial and district level and also support strengthening of an integrated management.

Key Reforms & Recommendations Governance Forum 2015

Reforms in Islamabad Capital Territory (ICT) Health Sector

ICT a state of art health care model	In order to make ICT a state of art healthcare model, a decision from Prime Minister to place all federal health establishments in ICT under Federal Health Authority is under process. Advance Summary sent to 6 concerned Ministries/Divisions for their comments.
Independent FHA	Ministry of NHSRC has proposed to create an independent Federal Health Authority by legislation, to be governed by BOGs under a CEO. The objective is to provide policy directions, fiscal policy & budgeting, joint procurement, and human resource management. The FHA would optimally function if integrated and brought under BOGs.

The participants stressed upon increasing finances for health sector to 4% of GDP and also recommended that the government takes serious steps in strengthening and coordinating family planning and health services, reduces inequalities in health sector, and brings legislation for profession of tibb.⁵

The discussants also agreed that the health sector requires funding for vertical health programs, which should be provided by the federal government, especially for the special territories such as Gilgit-Baltistan (GB) and Azad Jammu & Kashmir (AJK). The suggestions brought forward also included improvement in standards for manufacturing of drugs, vaccines according to WHO standards; reproductive health service for youth and adolescents as part of public health service delivery; regulation of public and private health care sector; increasing duration of Bachelor of Dental Surgery (BDS) to 5 years and adding seven new subjects including behavioural health, bio ethics and research methodology.

2.8 Investment Climate: Ease of Doing Business

Vision 2025 emphasizes promotion of private sector led growth and enhancing ease of doing business in order to simulate private sector growth. Public-private partnership in service delivery can also ensure separation of regulation function from delivering services and can potentially improve services delivered to the citizens. A key goal of the Vision is to see Pakistan ranked in the top 50 countries for Ease of Doing Business by the year 2025.

⁵ **Tibb** or **Unani-Tibb** is a comprehensive healing system with roots in Ancient Egyptian, African, Greek, Arabic, Indian and Western Herbal medicine.

In the past, the private sector has been constrained from playing an active role in the country's development due to a variety of factors such as the energy deficit, lack of security, poor policies and lack of an enabling environment. In addition to these problems, low skilled labor, slow and costly judicial procedures (contract enforcement), factor market (land, labor and capital) rigidities, intrusive regulations and inadequacies in the system of land purchase and registration have reduced private sector effectiveness. The most problematic dimensions associated with doing business in Pakistan are corruption, policy instability, crowding out of the private sector due to excessive public sector borrowing, inadequate infrastructure, and red-tapism. Additionally, pervasive environment of state intervention, subsidies, protection and SROs have led to rent-seeking behavior thereby compromising competitiveness and economic efficiency.

The investment policy of Pakistan is about ownership, protection and profit & taxes.

Ownership: The policy allows all sectors for investment in Pakistan. There is a provision for 100% foreign ownership. The local and the foreign companies are treated in the same manner to maintain conducive investment climate. The foreign investors are facilitated and visa is granted upon arrival to 69 countries. The government has also allowed establishment of branch and liaison offices. The establishment of industrial clusters (SEZ) is another salient feature of investment policy.

Protection: The rights of investors are protected under the protection of FDI via an act of parliament (Act 1976 & 1992), bilateral investment treaties and double taxation treaties.

Profit & Taxes: The policy supports well developed regulatory framework to facilitate the investors; the salient features include no restrictions on remitting capital, profit & dividends etc.

During the discussion session at the Forum, it was explained that the government should urge the Board of Investment to make investment the national agenda and to make concerted efforts for bringing in investment by giving VIP treatment to investors and helping pave way by clearing hurdles and revisiting rules, regulations and procedures. There was an inquiry on how existing businesses could be protected and assisted to enhance their ROIs amongst inconsistent policies and barriers that impede progress. It was informed that both domestic as well as international investors are of equal importance and chambers of commerce and the OICC should subsequently engage all Secretaries to immediately resolve any issues that they may have. Furthermore, since a major chunk of contribution comes from domestic investors therefore it is urged that authorities should take special care of existing businesses to the maximum.

The participants expressed concern on how FDI was experiencing a decline in the recent years despite the efforts to create an upward trend. It was emphasized that a regulatory framework was very important and that plant breeding rights and intellectual property rights should be taken into consideration, which will help in bringing the investments.

A participant pointed out that the investments lacked in value addition, such as cool chain investment. He referred to mangoes being exported in a controlled atmosphere container however when they were transported from the farm to the port, traditional methods were used which affected the quality of the product. It was also proposed, while referring to CPEC that a thorough study be conducted on the sectors where more investments are being made, while at the same time emphasizing on the need to improve internal affairs in terms of enabling environment to encourage local investment, which in turn would lead to a boost in the confidence of foreign investors.

Regarding Virtual and Physical One Stop Shop (VOSS), it was explained that on the federal level, the three departments i.e. SECP, FBR and EOBI were integrated and brought together onto one portal to simplify the process of setting up a business. Conventionally, this process takes around twenty days. VOSS aims to reduce this time as well as the costs to initiate businesses. However, currently a number of issues and technical problems prevail in bringing the departments together. The Forum was informed that Physical One Stop Shop had already been established in the Lahore Chamber of Commerce.

As far as governance was concerned, it was recommended that transparency was the top priority to bring about improvements and simplification of rules and regulations was needed in order to enhance the ease of doing business.

Governance Forum 2014 recap: The Governance Forum 2014 deliberated upon ambitious reforms for improving investment climate and ease in doing business. The highlights are:

- Functional online and easy-to-use system of registering new business with SECP;
- Single access point for all tax registration & social security requirements;
- Revamping of Board of Investment;
- Rationalization of construction planning and approval processes across cities;
- Capacity building of development authorities and municipal administrations particularly through on-the-job training of staff;
- Enhanced efficiency of the Revenue office through computerization and greater accountability;
- Reduction in the number of fees for registration of property;
- Introduction of a flat fee for stamp duty;
- Simplification of the tax system and broadening of the tax base to provide a level playing field for all categories of tax payers;
- Reduction in SROs and improved audit capacity.

Progress/Updates

Starting a Business	Virtual One-Stop-Shop (VOSS) by integrating SECP, FBR and EOBI has been established. Physical One-Stop-Shop (POSS) has also been established at Lahore.
Dealing with Construction Permits	LDA and KDA have developed plans to reduce the time involved in getting construction permits.
Access to Credit	The Credit Bureau Act, 2015 has been promulgated to improve the credit information system for the banks to extend credit. Secured Transaction Bill has been drafted by SBP, which is under review/consultation with stakeholders.
Paying Taxes	FBR reviewed the number of existing processes and launched the integrated end-to-end IT solution (IRIS) on the eight processes.

		<p>The Punjab Government has exempted entertainment duty on cinemas, chairlifts and circuses. Further, Education Cess on Clubs has also been abolished.</p> <p>Sindh Government has exempted bed tax on hotels and duty on cinemas.</p>
Trading Borders	Across	<p>New web-based software for Custom Clearance (WeBOC) has been launched in Port Qasim to improve customs clearances.</p> <p>FBR with the support of World Bank has initiated a Pilot Reforms Project at Wagah Border to facilitate importers and exporters.</p>
Enforcing Contracts		<p>Pilot Commercial Courts have been established at Lahore to expedite resolution of commercial disputes and contract enforcements.</p> <p>Alternate Dispute Resolution (ADR) centers are operational at Karachi and Lahore.</p> <p>BOI is also considering to establish ADR center in BOI to mediate investment disputes.</p>
Registering Property		<p>Punjab: Land record digitalization in all rural areas;</p> <p>Sindh: 90% of land records have been digitalized and 10 facilitation centers are being established;</p> <p>KP: Computerization of land record of Peshawar and Mardan has been completed and other districts are also being computerized.</p> <p>E-Stamping has been initiated.</p>

2.8.1 Policy Recommendations.

Key Reforms & Recommendations Governance Forum 2015

Reform Area	Description
Ease of doing business	The group stressed the need for continuing efforts of simplification of rules, regulations & procedures to enhance "Ease of Doing Business". The group called upon encouraging one window mechanism in every business area particularly in getting construction permits, registering property and paying taxes. It was agreed that already established VOSS needs to be made functional. In order to reduce corporate tax, an investor friendly regime was recommended. Ensuring transparency and awareness of public sector policies to promote prospects for more investment was also part of the proposals.
Human resource development	It was recommended to ensure effective monitoring and accountability across the board for efficient organization and management. In the context of CPEC, a scientific study/ strategy may be developed for the local production capacity enhancement, including raw material requirements, HR requirements, other consumer goods and energy etc.
Citizen prospective index	Planning Division has initiated work on the perceptions of citizens on various reforms initiated by the Government and on creating an index to properly

		monitor the progress. It was suggested that EODB indicators will also be collected during the survey to obtain the perception of the private sector on various reforms.
Regulatory Framework		Effective enforcement of IP rights was suggested to enhance investors' confidence. For improving regulatory framework for real estate sector, it was proposed that the regulations may be revisited. It was further recommended that in order to have consistency, the government policies and incentives once announced should not be withdrawn prematurely.
Coordination with Invertors		The group declared that effective coordination among all stakeholders will be enhanced and investment be considered & declared a common national agenda – all federal and provincial agencies should promote Pakistan as an investment friendly country with missionary spirit.

2.9 Islamabad Model City

The theme of Islamabad model City has been added as a separate subject in Governance Forum 2015 while acknowledging that post-18th Constitutional Amendment service delivery on most counts falls under the provincial governments' purview. Under Islamabad Model City Project, the government aims to demonstrate the impact of its reforms at ground level and provide a replicable example for other metropolitans of Pakistan. The concept is built around providing exemplary services in accordance with well laid out citizens' charters alongside making the existing services more efficient with the use of Information & Communication Technology (ICT).

The concept would however go beyond the use of ICT and would include smarter urban transport network, upgraded water supply and waste disposal facilities, more responsive policing & city administration, smoother business processes, robust citizens' facilitation, etc. There is now a need to formulate a concrete action plan for this project and rolling out its implementation.

The participants at the Forum structured their discussion around two questions: e-governance reforms challenges within Islamabad Model City or The Smart City; and the efforts that have been initiated by the present government alongside the key recommendations for improvement.

During the discussion, panelists agreed that there should be smart city development as we have energy crisis and lesser resources. Traffic, smart mobility, solid waste management, security, citizens' services, smart education and smart health should be addressed for smart transformation based on smart principles. While discussing security issues the need to install cameras and link them to central database was highly emphasized with facial recognition and identification system.

Other features for the proposed model city of Islamabad that were discussed included conserving the green environment, keeping in view the principles of sustainable development and making the city a tourist attraction in order for it to generate high economic revenue. It was also suggested that like London Tourism Board, a separate tourism board be established for Islamabad. In order to support the above, it was suggested that an intelligent transport system like Metro Bus Project be introduced. Keeping in view the interconnectedness of Islamabad city, transport services must be intelligently developed for making it possible for all the commuters to access it. Parks and playgrounds, the participants emphasized, should be properly maintained for promoting healthy activities.

It was stressed that in order to have the plans implemented effectively, a suitable amount of budget be allocated. If budget is not available at once then projects should be programmed in phases.

In order to improve governance of the city, the Local Government System needs to be made effective and functional, the participants noted.

The participants expressed concern over the growing demand of housing schemes in Islamabad so much so that the Green Zones in the city originally established for poultry farming and food gardening in order to ensure food security for the capital, are being engulfed by the housing societies. Chak Shehzad and NARC farms are the examples of this phenomenon, exposing the city to food shortage crisis. Investment of this huge amount of money as well as precious land in a speculative business like housing schemes and real estate does not help in providing services to the people. The Forum noted with a degree of disappointment that even the government institutions were unfortunately toeing the line of real estate investors. It was suggested that the stakes should be controlled in alignment with land use. It was also observed with concern that citizens of Islamabad are among the least tax paying population despite being a comparatively high-income city. If taxpayers pay accurately, the participants hoped, it can be a multi-million-dollar city within one year.

The participants also discussed the administrative structure of the capital. It was noted that the city was administratively under many institutions like Capital Development Authority (CDA), Islamabad Capital Territory Police (ICTP) and Municipal Committee. It was recommended that the city must be brought under only one administrative setup, which could effectively run all the matters related to its administration. It was proposed that all the institutions be merged under the umbrella of metropolitan city planning. Furthermore, sustainable urban trends should be adopted to make Islamabad a modern city. The need for introducing the concept of integrated development was also emphasized upon.

The participants drew the attention towards the design of Islamabad, which is based on gridiron pattern and has built in flaws like having to travel longer distances for commuting to even geographically nearby places. The city's road network, it was proposed, should be redesigned to reduce the energy emission. This should go side by side to improving infrastructure in a way to promote pedestrians and cyclers like many other smart cities over the world. It was also proposed that the city be transformed from horizontal growth to vertical growth. Moreover, there was a need to establish economic zone in the city to promote service industry.

For the newly elected local government, the group recommended introducing training and orientation essential for planning and learning the dynamics of city management. A first local government training academy can be established for capacity building and human resource development. Moreover, there should be an Islamabad-specific law to facilitate this. It was also identified that community participation groups had an important role to play to facilitate the entire process of above-mentioned measures to transform the city. These groups, the participants said, could identify actual practitioners in relevant policymaking processes.

2.9.1 Policy Recommendations

The group discussion was structured around the key governance/reform challenges; efforts initiated by the present government; and key recommendations for improvement.

Proposed Reforms

In order to make Islamabad a model city the group deliberated upon bringing the reforms that could make Islamabad a sustainable and resilient city. It was suggested that smart infrastructure at municipal level, smart mobility (mass transportation, modernization, inter-modal connectivity, pedestrian / bicycle network), integrated monitoring center (traffic/ surveillance, security) and smart integrated institutional and legal set-up in consultation with relevant stakeholders be established.

Challenges

The challenges identified by the group included: addressing the institutional conflicts and overlaps; consolidating implementation agencies under single umbrella for unity of command and effective delivery without overlaps and duplications; shunning the piecemeal management and planning approach; enhancing institutional capacity for professional standard of service delivery; efficient and modern public transport system; creative and farsighted land use with planning & development control; sustainable urban development framework; instituting efficient and transparent financial management practices; innovative measures to ensure revenue generation, financial autonomy & development priority; and safety measures to sustain natural and human-induced disasters.

Government Initiatives

The group listed down government initiatives and at the same time proposed measures in parallel to improve the former. These initiatives included establishment of local government; development of Greater Islamabad Master Plan; Safe City Islamabad plan; digitization of revenue records; Bus Rapid Transit (BRT); infrastructure (municipal and social) upgradation & development; educational reforms; and establishment of Pakistan Urban Planning Policy Research Centre.

Key Reforms & Recommendations Governance Forum 2015

Reform Area	Description
Metropolitan city	To set-up metropolitan institutional participatory governance.
Principles of Regional City	Develop Islamabad on the principles of regional city promoting sustainable land use strategies.
International cooperation	International cooperation (HRD/ID) for development of Islamabad as Model City.
High density neighborhood	Establish high density neighborhood development along main corridors.
Extension of BRT	Extension of BRT on all major corridors (Islamabad Highway, Kashmir Highway) and provision of feeder routes.
Urban development framework	Sustainable urban development framework for sustainable land use planning and development control be developed.
Financial Management Reforms	Financial management reforms (revenue generation / financial autonomy/ development priority).

Tourism	Develop Islamabad as tourist destination and gateway. Tourist Police / Guide -open bus tour – tourist maps.
Land Record	Land record modernization.
Slum rejuvenation	Slum rejuvenation and urban regeneration programs be initiated.
Public smart car rentals	Introduce public smart car rentals to facilitate citizens.
Smart City concepts	Promote and adopt Smart City concepts and technologies and create command and control center.
Media Campaign and branding	Media campaigns to promote Islamabad Model City.

2.10 Effective Local Government

Pakistan Vision 2025 envisions taking decision-making and accountability closer to citizens and stipulates an effective local government system. Although it is essentially a provincial subject, the government commits to providing all possible support to such a system and ensuring coordination across the provinces. One of the initiatives that the government aims to improve with the help of local governments is the infrastructure for domestic commerce in whole-sale and retail sectors by developing business centers, markets and shopping malls alongside necessary amenities.

2.10.1 Policy Recommendations

Key Reforms & Recommendations
Governance Forum 2015

Governance Forum 2014 recap: During the Governance Forum 2014, a large number of recommendations were made by the group, including:

- *Immediately hold local government elections on party basis;*
- *District Chairmen / Mayors will be elected directly;*
- *Local Government laws, rules, regulations & manuals should be amended as required*
- *Build technical & financial capacity of the local bodies;*
- *Information about the local government should be introduced into the curricula at secondary school level;*
- *A federal level central policy unit to inform policymaking at the provincial levels*

Reform Area	Description
Capacity building of elected local government	The capacity building of elected local government representatives & officials is necessary for effective delivery of services. The performance can be monitored through feedback from citizens and public awareness campaigns.
Community participation	The rural and urban community to be included in the development process by establishing rural development centers at village level and increase

	community participation.
Performance delivery standards/KPIs for local government	The development of performance delivery standards/KPIs for local government can help improve performance of the government as well as better utilization of funds.
Improving financial conditions	By improving financial conditions of local governments, initiatives should be encouraged to enhance local tax collection, increasing own source revenues and reducing non-development expenditures

2.11 Performance Management Systems in Public Sector

Better performance management in public sector forms the crux of governance. The government envisions doing it through embedding performance contracting across the public sector institutions, implementing a performance improvement framework for continual progress and providing sufficient incentives for high performers. Performance contracting has been used in many countries around the world to improve accountability and enhance performance of public sector agencies.

The proposed initiative is aimed at increasing focus on results in terms of efficiency, effectiveness and quality of services as well as empowering the Ministries to deliver against the agreed Key Performance Indicators (KPIs). Performance Fund is a proposed intervention to provide performance-based incentives to government employees in priority ministries. This initiative will also support performance-contracting initiative by simultaneously ensuring targeted rewards with creating greater accountability. Furthermore, the government is aiming to introduce a comprehensive performance improvement framework for selected Ministries, which will include institutional assessment for these Ministries in order to generate performance improvement plans for these organizations. These plans will be made public and would provide a clear roadmap on how to make a quantum leap in terms of performance improvement.

Recommendations for the improvement of performance of public institutions were given during the question-answer session. The need for a separate law for enforcement of performance contracts was stressed upon. Secondly, it was suggested that the institutional arrangements be made to run this system of evaluation. Thirdly, an independent commission was recommended in order to review targets before finalization.

It was identified that the lower cadres of government employees were infested with extremely low level of motivation. To address this, a system called KAIZEN was proposed, which has proven to be successful in Japan. It was elaborated that KAIZEN was a micro-management voluntary based system wherein everyone contributes in data collection and proposes solutions, which are then standardized if proven successful. Furthermore, as a solution, it was advised that a participatory government was essential to engage people.

A participant identified the crisis of identity as a serious issue, which had resulted in driving the system away from the meritocracy. It was suggested that performance be self-measured by the employees while linking key performance areas to the goal(s) of the institution.

It was also proposed that greater transparency and two-way communication (upward and downward) alongside greater participation be used to address people's resistance to change.

The participants agreed that strategic objectives of all organizations should be defined and the human resource management department must recruit relevant professionals accordingly. Also performance appraisals should match strategic objectives and be linked to rewards and punishments.

In order to make performance appraisal system effective, it was proposed that once an employee fell into the promotion zone, a synopsis should be made on the basis of his/her performance appraisal. A score should be generated accordingly and promotion be awarded only if he/she qualifies. In public institutions, 50% of the promotions should be rewarded on the basis of performance appraisal and 50% based on trainings.

To measure KPIs, it was agreed that the setting of targets and deadlines should be mandatory with the performance standards defined so that the performance can be measured in tangible terms. It was added that performance assessment parameters needed to be established and prioritized. These parameters should be derived from data collection over a certain period of time.

The major challenges as identified by the participants included inter alia: people's engagement; compensation and performance management; and poor performance of public institutions owing to a wide range of factors.

To overcome these challenges, it was recommended that a separate body should be established to manage performance appraisal system. Also, KPIs needed to be defined and validated by a third party and software needed to be developed to evaluate performance. It was learnt that a results framework document comprising of the vision, mission, objectives, key result areas, KPIs and means to measure the KPIs was already under process. However, the Forum noted that all the Ministries were signing performance agreements without completing requisite information like organizational priorities and weightage etc.

2.11.1 Policy Recommendations

The group discussion was formed against the key governance/reform challenges; efforts initiated by the present government; and key recommendations for improvement.

Key Reforms & Recommendations Governance Forum 2015

Key Challenges

Governance Forum 2014 recap: Governance Forum 2014 proved to be a platform for initiation of the Performance Management system in the public sector. Recommended actions included:

- *Every organization to make clear objectives;*
- *Ensure appointment of professionally competent Heads of organizations;*
- *Develop service delivery standards and customer feedback system;*
- *Develop Key Performance Indicators for all personnel in the organization;*
- *Replace obsolete ACR system with an Effective Performance Management System*
- *Create specialized Monitoring & Evaluation system for the organization.*

Minimize resistance	A certain degree of resistance is to be expected when it comes to the reform of this magnitude. The MoPDR has kept this to a minimum by building on established processes and protocols (e.g. building contracts onto Green Book commitments) as well as extensive consultations to create a 'constituency for reform' both within and outside of government. Today's event again serves this very goal.
'Agents of change'	Key personnel may be transferred to the positions where they can support reform implementation. The Ministry focal persons are being hired to avoid this possibility by taking on dedicated 'agents of change' within each Ministry/ Division to see through its implementation.
Lack of knowledge and skills	Lack of knowledge and skills regarding key tasks such as measuring performance, defining targets, gathering and reporting data may become a hurdle. In recognition, MoPDR intends to train up to 1,000 officials from participating institutions in core areas of results-based management during 2016 alone.
Performance Dashboards	MoPDR is looking into cutting edge dashboard solutions to gather, process and analyze data so that progress against committed targets can be tracked in an objective and impartial manner. These include SIGOB which has been successfully implemented across a range of Latin American countries as well as PEMANDU, which is a Malaysian system for tracking goal-achievement.

Recommendations

Reform Area	Description
Dynamic KPIs	Job analysis at all levels of the public institutions needs to be done. This shall assist in identifying dynamic KPIs and their prioritization. Agency/Commission needs to be established for the validation of goals/KPIs.
Performance evaluation	Identify a framework for performance evaluation.
Service Delivery	Focus of objectives should be to improve requisite delivery of services to the citizen and their feedback.
Innovation	Innovation and creativity based objectives need to be added.
Performance contracting	Performance contracting be established under the cover of law.
Motivation	Motivation of junior level employees needs to be focused upon.
Performance standards	Performance standards and parameters need to be identified.

2.12 Service Delivery and Citizens Charters

There is a growing and dynamic civil society in the country, which is giving greater voice to citizens in shaping the future direction of the country. Pakistan Vision 2025 seeks a new compact with the people of Pakistan to redefine the very nature of state-citizen relationship, and put it on a new footing, which is underpinned by a comprehensive and fully inclusive citizen's charter. These citizens' charters would represent a systematic effort to focus on the commitment of the government towards its citizens in respect of standard of services, information, choice and consultation, non-discrimination and accessibility, grievance redress, courtesy and value for money.

Various experts from the government, private sector, academia and non-governmental organizations were invited to present their views on different themes like mass transit system in Pakistan. A representative from Railways stated that in 2011-13, the railway system was at its lowest ebb due to the shifting of priorities from railways to roads in the previous regime. As there was no injection of investment and absence of Railway Board, only half of the passenger trains and none of the freight trains were being run. However, now, after 25 years, the present government is investing in Pakistan Railways and has given confidence to the officers making it possible to successfully run 10-11 trains every day from Karachi and aim to reach the revenue target of Rs. 38 billion which is a 40% revenue growth.

The Bus Rapid Transit (BRT) system can be streamlined using ITS (Intelligent Transport Services) while other means of transport explored as population is expected to outstrip ridership supply demand in the future. It was explained that the success of the BRT lies in how well operations are streamlined through ITS which is central to operations, passenger satisfaction, surveillance & security needs, health of the bus, revenue generation and ultimately profitability of the operators.

Furthermore, a participant added that a fiber optic link would be provided along the bus way that will be supplemented with cellular services helping to generate information and help to reduce time of operations through online monitoring of events. Information such as passenger headcount, driver habits, fuel condition, engine health, ticket sales, security, bus depots, traffic signals, and bus schedules, are intended to be obtained through ICT installed at buses, bus terminals, remote sites, and transit corridors. ICT provides modeling and simulation which is important for the audit of BRT and revenue generation. The introduction of software based prepaid cards is also under consideration. The energy audit is important hence alternate energy resources will be examined such as solar panels at bus stops and minimal use of diesel generators.

Moreover, the presenter highly recommended technology such as horizontal tunnel boring machines for subway systems that are used without disturbing the environment above. A detailed evaluation and design for this project must be undertaken by engineers and architects to decide on electrical systems, mechanical design of the tunnels, ventilation system of tunnels and track sizes. He concluded by suggesting that an institute needs to be developed especially for this which should be autonomous and headed by technocrats.

During a presentation from Science Institute of Space Technology on emission control it was learned that since emissions have adverse effects on health and climate change therefore, it was recommended to use improved fuel, which can reduce emissions such as Low Sulphur Diesel as well as the installation of diesel filters and honey comb ceramic filters. Another suggestion was to use ammonia based converters that convert nitrogen oxide to harmless nitrogen. Improving transit

routes and using hybrid vehicles was also recommended. In a nutshell, the presenter concluded that the combination of the right fuel and the appropriate technology was the answer to reduce emissions.

It was reiterated that transport projects undertaken by the government, particularly CPEC will be a game changer for country's economy and will prove to be an effective step towards sustainable transport.

A professor from University of Engineering & Technology, Karachi made a presentation on the pricing strategies for public transport. He shared that there existed agent based models and simulation platforms, which were used to determine and evaluate different policies including the pricing of public transport. Agents were defined as anything under study such as human beings. Human behavior in terms of their travel patterns – what transport modes they need etc. – were analyzed through their interaction with different forms of infrastructure. The data is generated through cell phones and smart cars regarding agents' behavior. In one agent based platform called SimMobility, technological innovations and policies required to manage travel patterns are tested. This particular platform not only helps to show what impact policies will have but also foresees short term, mid-term and long term decisions of people.

The role of planning and development agencies in achieving sustainable transport was also discussed. The main hypothesis was that improper planning and development policies of the local government agencies were posing as a barrier in achieving sustainable transport system. The major impacts of transport system were listed as energy consumption, noise pollution, social impacts of transport e.g. accidents, physical inactivity of people, reduced time spent with family, economic impacts and transports costs. Issues such as excessive use of cars, traffic congestion in all the cities, accidents, long travel times, high travel costs, air & noise pollution, overloading of public transport, absence of efficient public transport system and traffic jams were highlighted. It was noted that planning and development agencies have been devising plans without using data.

The Forum participants observed that only large cities had a master plan whereas plans of small cities were outdated and invalid. There was no availability of public transport in small towns as the government and private sector planners only catered to the car owning class, which was only 5% of any city thereby becoming a barrier for sustainable transport system. Therefore, preparation of master plans, restriction of expansion of city by providing green belt, making it mandatory for all schemes to provide 75% small plots for low income groups in order to achieve compact development, making pedestrian shopping malls, constructing walkable roads, establishing a complete mass transit system and an intelligent transport system were deemed necessary.

It was urged that innovative thinking was needed for public transport funding keeping in mind the social goals (provide mobility to women, poor people), environmental goals (reducing greenhouse gases, emissions) and economic goals (increase economic growth), which tend to be conflicting. There is a holistic way to bring these stakeholders together and get funding through traditional methods of resource generation, like subsidies, fare revenues, etc.

As public resources are not enough to fund the system, it is important to find new innovative ways to generate funds for sustainability such as by making beneficiaries pay development taxes, polluters paying carbon tax, attracting private sector funding, etc. Moreover, it was also suggested that transit

oriented, smart and resilient corridors should be established thereby generating funds for future expansion.

An analysis of eleven bus terminals in Lahore was also shared with the Forum. The presentation briefed the Forum that there were no standard specifications for intercity bus terminals. These terminals were assessed against six performance indicators, viz., safety & security such as scanners and camera security guards; public access to bus terminal; availability of information such as reception and schedule; reliability of bus terminals such as the buses leaving and arriving on time; environment such as cleanliness; and finally, facilities such as waiting area, shelter, restaurants, ATM availability, etc. Travelers' demography were shared; age of passengers was found to be between 20 to 40 years, while household income ranged from Rs. 10,000 to Rs. 40,000. Safety and security was the most highly ranked parameter. In conclusion it was recommended that a design manual must be developed and bus terminal studies should be carried out.

Regarding institutional framework and sustainable transportation which was a review-cum- case study of Islamabad metro bus project, it was highlighted that the system had helped in achieving environmental goals owing to the reduction of cars on roads, introducing new routes and improving vehicle specifications. The BRT system has addressed the issue of social imbalance by providing travel opportunity to women, the elderly and the disabled. Economic benefits were listed as less travel time and fuel saving, equitable allocation of resources to other sectors. It was informed that options were being explored such as parking charges, advertisements etc. for resource generation to support the system.

Governance Forum 2014 recap: The participants of Governance Forum 2014 stressed upon the need for legislation on citizens' rights to assure time-bound delivery of services as well as redress of grievances. The other recommendations included:

- *Broad-based crash training program for BPS 1-16 and 17-22 government employees;*
- *Revision in government rules/ procedures for addressing service delivery bottle-necks;*
- *Design Service Delivery Measurement Parameter (SDMP) in their organizations in order to support accountability;*
- *Prepare & implement Citizens' Charters.*

During the question and answer session, a participant inquired about different types of agent based models and simulation platforms and asked why SimMobility platform was selected. In response the speaker explained that Matson platform does not have the ability to test many innovative policies. However, SimMobility is a fully integrated system that has short, mid and long-term decision making capability and a variety of policies can be tested using Simmobility whereas Matson is based on assumptions hence cannot test policies accurately. The other platform, Polaris, was said to be in its development phase and was not available at the moment. Due to the advantages of SimMobility, it is widely used to test policies.

In response to the question on data collection techniques, it was explained that all the data was collected without the help of other agencies. A number of methods were used; GPS tracking devices were installed that were active 24 hours a day and provided speed related data; cameras were

placed on the roads to gather data regarding different kinds of vehicles etc., in addition to the public surveys about the driving patterns.

It was questioned why Pakistan Railways were not converting the structure into urban railways. To this, the Railways representative replied that the Metro Railway was not the responsibility of the National Railway and that they had already offered available infrastructure to the provincial government and city district government at zero cost. It was explained that the Pakistan Railways operated all over Pakistan and not just one city.

In response to questions, the speakers informed that the cost of the Rawalpindi BRT was Rs. 44 billion, which included the cost of Peshawar Interchange. The speaker stated that subsidies worth Rs. 45 per passenger were being given, which was being shared on a 50:50 basis between the federal and the provincial governments. Another speaker noted that the mass transit project would not be sustainable if subsidy is not given. Hence there is a need to come up with innovative solutions.

2.12.1 Policy Recommendations

Key Reforms & Recommendations Governance Forum 2015

Reform Area	Description
Citizens' charter	Develop citizens' charter with the identified eleven Ministries and expand this concept to other ministries; Induct members/secretaries from the Provincial Ministries; Publicize citizens' charter widely.
Change management leaders	Assign the role of change management leaders to Ministers/Secretaries for necessary political and administrative ownership to the change management initiatives. Mid-career officers should be notified as focal-persons / change management agents. Change management teams' efforts must be recognized (Financial/Non-financial).
Change management plan	Citizens' charter initiative to be conceived as change management plan with identified processes, activities, timelines and responsibilities across the organizations. Extensive capacity building in order to sensitize all relevant officers.
Performance based ranking	Creation of performance based ranking within and across eleven Ministries with public service delivery (In a phased manner).

3. Governance Expo

The Ministry of Planning, Development & Reform facilitated the first Governance Expo 2015. The Expo was held to apprise the civil society, media, academia and ordinary citizens of the latest innovations, performance improvements, and tangible achievements made by key federal government agencies in the last two years. Too often facts are overshadowed by opinion and policy realities are eclipsed by speculation and argument. Therefore, the Expo provided a unique opportunity to learn first-hand about the great strides made by these government agencies to improve access and quality of service delivery, internal efficiency, transparency and accountability to benefit citizens.



The Minister for MOPDR inaugurated the Expo and highly encouraged the interest of Ministries in showcasing their work. High level agency representatives were available to share information, answer questions, and receive suggestions. Participants were invited to visit the stalls set up by these agencies and learn more about cutting-edge initiatives taken by the wide array of government organizations, listed below:

1. Establishment Division, Islamabad
2. Ministry of Federal Education & Technical Training, Islamabad
3. Ministry of National Health Services & Regulation, Islamabad
4. Board of Investment, Islamabad
5. Commerce Division, Islamabad
6. Ministry of Water & Power, Islamabad

7. Capital Administration & Development Division, Islamabad
8. Ministry of Information Technology, Islamabad
9. Federal Public Service Commission, Islamabad
10. Federal Bureau of Revenue, Islamabad
11. National Highway Authority, Islamabad
12. Capital Development Authority, Islamabad
13. China-Pakistan Economic Corridor, MoPDR, Islamabad
14. National Database & Registration Authority, Islamabad
15. Directorate-General of Immigration & Passports, Islamabad
16. Human Rights Division, Islamabad
17. Aviation Division, Islamabad
18. Ministry of Petroleum & Natural Resources, Islamabad
19. Privatization Commission of Pakistan, Islamabad
20. Ministry of Science & Technology, Islamabad
21. Ministry of Religious Affairs & Interfaith Harmony, Islamabad
22. Ministry of Railways, Islamabad
23. State Bank of Pakistan
24. National Bank of Pakistan, Karachi
25. Pakistan Post Office Department, Islamabad
26. Geological Survey of Pakistan
27. Space & Upper Atmosphere Research Commission, Islamabad

Photo Gallery



