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*Pakistan*

STOCK-TAKE EVENT REPORT

PUBLIC  
SECTOR  
REFORMS IN  
**PAKISTAN**

18<sup>th</sup> APRIL, 2019  
ISLAMABAD, PAKISTAN



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# Introduction

The “Public Sector Reforms in Pakistan” stock-take included representatives from two Task Forces - Austerity and Restructuring of the Government and Civil Service Reforms – led by Dr. Ishrat Hussain, relevant governance stakeholders and international development partners. The aim was to share the progress on multiple ongoing and planned reform initiatives undertaken by the Task Forces, that are thematically aligned with the strategic priorities of the Government, and secure commitments for support for these reform efforts.

The event, held on 18th April 2019, was structured around plenary presentations by the Task Force members, providing an insight into the government's reform initiatives and allowing the participants to enrich the content by sharing their own ideas. In addition to the presentations, the event featured addresses by key speakers who discussed the gaps in the existing civil service and the main institutional barriers facing the civil servants, government employees and reform experts alike.

The event was a key activity for UNDP as part of its support to the Government of Pakistan in designing a holistic and coherent reform agenda. This would allow federal ministries, departments and agencies to deliver better services and improve performance to meet the expectations of its citizens.

This report provides an overview of the event, and a summary of presentations and discussions to communicate the central idea of the stock-take.



— Public Sector Reforms in Pakistan —  
**STOCK-TAKE 2019**  
— 18 April, 2019 —  
Ministry of Planning, Development and Reform

Reform and Innovation Grant for High Performance (URAAN) Project

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# Foreword

Public sector reforms hold a central place in Government of Pakistan's development agenda. To help stimulate reforms process and achieve the vision of transforming the country, Prime Minister has launched two task forces under the leadership of Dr. Ishrat Hussain to chalk out an action plan for achievement of goals set for austerity and civil service reforms.

The issue of civil service reforms attains extreme urgency because the agenda of change promised by the Pakistan Tehreek-e-Insaf Government cannot be realized without an optimized, efficient and effective civil service. Pakistan is still experiencing systemic problems of overstaffing, multiplicity and overlapping of roles among agencies, ineffective and slow grievance redressal mechanisms, and – above all – an interweaving with political structures undermining independence and neutrality of the civil service. The nexus between corruption and governance is also hampering Government's efforts towards a just society where everyone has equal and equitable

access to public services, welfare and well-being.

It is imperative that any reform efforts in civil service addresses institutional roots of the problem to have a positive payoff. A synergy between reform proposers and reform managers on the nodes of governance and the complex interface between the governance process and the civil service reform is critical. The desirable attributes of civil servants must be revived and re-inculcated in them through these reforms while passion to serve the public must be inspired through greater exposure, awareness and incentives. The outcome of reforms should therefore be a majority, if not all, civil servants displaying and practicing these attributes.

I would like to congratulate the organizers of this stock-take event and thank the development partners who participated in making an effort to achieve a very critical national objective. The Ministry of Planning, Development and Reform will extend every possible support to this cause.



**Makhdum Khusro Bakhtyar**

Federal Minister, MoPDR

# Executive Summary

Improving public service delivery is one of the key reform agendas being addressed by the Government of Pakistan. Civil service and public administration reforms are aimed at establishing distinct transparency and accountability mechanisms implemented to support and institutionalize wider service delivery reforms. The great challenge for any reform effort is the amount of buy-in from the political leadership. The Task Forces on Civil Service Reforms (CSR) and Austerity & Restructuring of Government (ARG) launched by the Prime Minister, under the leadership of Dr. Ishrat Hussain have added a new momentum to the reform process.

The Ministry of Planning, Development and Reform (MoPDR) in collaboration with United Nations Development Programme (UNDP), is providing technical assistance to the Task Forces through URAAN Project / "Reforms and Innovation in Government for High Performance". To establish a baseline of progress made thus far, against intended reform targets and milestones achieved by these initiatives, UNDP, in collaboration with Institutional Reforms Cell (IRC) at the Prime Minister Office (PMO) and MoPDR, organized a Stock-take. The event invited the participation of representatives from Task Forces and relevant governance stakeholders, in Islamabad.

## The event focused on three thematic areas of civil service reforms:

- ▶ Induction and training;
- ▶ Performance-based management and Key Performance Indicators (KPIs);
- ▶ Pay and Compensation.

## Achievable reform measures proposed by the Task Forces include:

### *Induction and Training related:*

- ▶ Induction process to test analytical ability, domain-specific knowledge and aptitude of candidates;
- ▶ Multi-tiered recruitment system composed of screening tests, cluster based specialized written exam and psychometric evaluation;
- ▶ Adopting a National Standardized Training Policy;
- ▶ Addressing gaps in the existing training regime;
- ▶ Enhancing domain-specific trainings;
- ▶ Building capacity of the training staff in Specialized Training Institutes (STIs).

### *Performance Management and Evaluation related:*

- ▶ Results-based system for measuring competence and efficiency against job description, work assigned and targets of outputs and outcomes;
- ▶ Performance contracts between the Prime Minister (PM) and Ministers;

- ▶ Job descriptions well defined precision enabling better internal distribution of targets and KPIs for appraising performance;
- ▶ Revising present policies for appointments to grade 19 and above
- ▶ Strengthening the exit policy.

### *Pay and Compensation related:*

- ▶ Revising pay structures based on responsibility, skills and performance;
- ▶ Restructuring perks.

## PARTICIPANTS

34 participants from different national and international organization participated in the event, including representatives from the Prime Minister Office, The World Bank, Department for International Development (DFID), Japan International Cooperation Agency (JICA), Asian Development Bank (ADB), The Research Initiative and Tabadlab among others.

## METHODOLOGY

The stock-take included plenary sessions covering key note speeches and presentations on the initiatives taken by the Task Forces on Civil Service Reforms and Austerity and Restructuring of the Government. The presentations focused on three major reform initiatives: induction and training, performance evaluation and pay and compensation.

## Overview of Reform Initiatives taken by the Task Forces

Reform Area	Suggestions	Status/ Approval Stage
Security of tenure	Two years extendable to three years	Decision taken by the Cabinet
Appointment of Federal Secretaries	To be done by Selection Committee	
Selection of CEOs for Key Public Sector Enterprises	To be done by Selection Committee	
Inter-ministerial coordination	Secretaries Committee activated for resolving issues	
Technical assistance to the Ministers	Appointment of Technical Advisors to fifteen Ministers	
E-governance	Introduction and adoption of e-governance in all Divisions/s/ attached departments/ autonomous bodies	
Induction and recruitment	Revising the induction process to test analytical ability, domain specific knowledge and aptitude of candidates	Proposal finalized by the Task Force for submission to the Cabinet
Performance Management	Having job descriptions, Individual Key Performance Indicators (KPIs) performance contracts between the PM and Ministers	
Amendment to Rules of Business	Clarified job descriptions of Secretaries and Ministers	
Reorganization of Federal Government	Reconfigure 440 organizational entities and abolish 42 redundant organizations	Proposals still under discussion at the Task Force Level
Pay and Compensation	Linking salary, increments and bonuses with performance	
Training Strategy	Expand in-service training to ex-cadres and upgrade quality and capacity of training institutions	
Accountability and Efficiency and Discipline (E&D) Rules	Strengthening internal accountability of departments	
Public Financial Management (PFM)	Achieve harmony between financial autonomy and system of financial controls	

# Acronyms

ADB	Asian Development Bank
ARG	Austerity & Restructuring of Government
CSR	Civil Service Reforms
CTP	Common Training Programme
DFID	Department for International Development
DTC	Digital Transformation Committee
E&D	Efficiency and Discipline
F&A	Financial and Audit
FABS	Financial Accounting & Budgeting System
FPSC	Federal Public Service Commission
GoP	Government of Pakistan
IRC	Institutional Reforms Cell
JICA	Japan International Cooperation Agency
KPIs	Key Performance Indicators
LAN	Local Area Networks
MCMC	Mid-Career Management Course
MDA	Ministry, Division & Agency
MoPDR	Ministry of Planning, Development and Reform
NAB	National Accountability Bureau
NCGR	National Commission for Governance Reforms
NITB	National Information Technology Board
NMC	National Management Course
NSPP	National School of Public Policy
PAO	Principal Accounting Officer
PERs	Performance Evaluation Reports
PFM	Public Financial Management
PMO	Prime Minister Office
PSEs	Public Sector Entities
PSM	Public Service Motivation
SMC	Senior Management Course
STIs	Specialized Training Institutes
UK	United Kingdom
UNDP	United Nations Development Programme
UPS	Unified Pay Scale



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# Stock-take Objectives

The primary objectives of the stock-take were to bring together Task Force members and relevant governance stakeholders in order to:

- Review and initiate discussions around the key civil service reforms being undertaken by the government during the last eight months in order to create momentum and accelerate the reform process;
- Provide an overview of multiple ongoing and planned reform initiatives undertaken by the Task Forces that are thematically aligned with the strategic priorities of the Government;
- Establish a baseline of progress made thus far against intended reform targets and milestones of these initiatives;
- Provoke a critical evaluation of the key strengths and challenges of the Task Forces' approach;
- Develop and build consensus around the strategic direction and priorities that should be addressed by future reform efforts;
- Secure commitments for support among relevant governance stakeholders for these reform efforts.



“Reform is not a quick fix which conforms to the electoral cycle; it is a long-drawn process. You cannot apply a timeline for sustained institutional and governance reforms.”

*Dr. Ishrat Hussain*

# Event Summary

## Highlights from Speeches by Key Speakers

The official opening ceremony was chaired by **Mr. Zafar Hasan**, Secretary MoPDR. He highlighted the importance of civil service institutions as mediating establishments between the citizens and the state and the need for these institutions to be responsive to the changing needs of governance. The Secretary talked about the systemic problems of overstaffing, multiplicity and overlapping of roles among agencies, ineffective and slow grievance redressal mechanisms, and – above all – an interweaving with political structures that is undermining independence and neutrality of the civil service. Mr. Zafar particularly emphasized the need for a unified understanding among the reform proposers and managers on the modes of governance, in order to address the institutional roots of the problem and have a positive payoff.

**Dr. Ishrat Hussain**, Advisor to the PM on Institutional Reforms,

in his keynote address, talked about the objectives of the Task Forces and the long-drawn gestation period of sustained institutional and governance reforms. He went on to explain why the earlier recommendations by National Commission for Governance Reforms (NCGR) failed to gain traction. The lessons learnt from the earlier reform experiences were used to inform the phased approach taken up this time. Dr. Hussain also explained the central idea behind the reform that envisions a paradigm shift from a superior service to equality of opportunities for everyone. He talked about the restructuring in the Federal Government that is built upon the proposition to reduce the number of organizations along with revision of Financial and Audit (F&A) rules that will delegate planning and financial controls to the Secretary / Principal Accounting Officer (PAO) in charge of the respective ministries. The overarching theme, he explained, is e-governance that will simplify the procedures and increase transparency



Dr. Ishrat Hussain & Ms. Naoko Takasu



and efficiency while reducing discretionary powers. Dr. Hussain also highlighted the incremental approach toward civil service reforms that covers the whole value chain of the human resource management and development policies from induction to training, performance management, career progression and promotion, compensation and internal accountability mechanisms of the organizations. At the end of his speech, he highlighted the role international development partners can play in supporting the reform process, ranging from technical help in computerization and automation of Federal Public Service Commission (FPSC) to financial assistance on the reform initiatives.

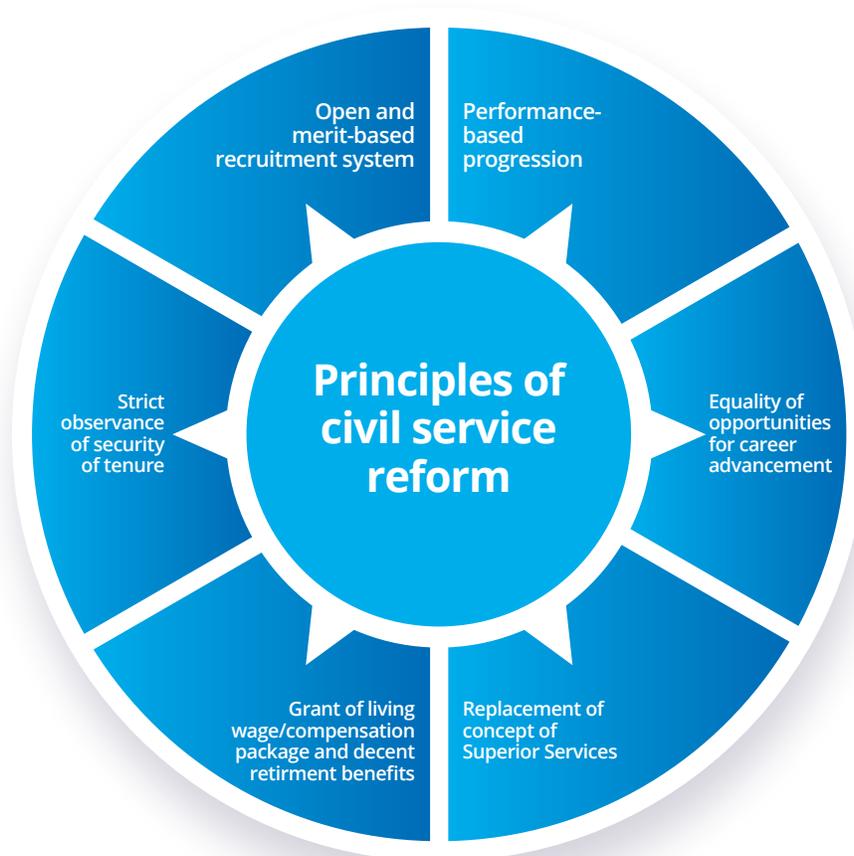
The UN Deputy Resident Representative - Programme **Ms. Naoko Takasu** thanked the participants and acknowledged the efforts of the current Federal Government in recognizing the transformation of public sector. Ms. Takasu spoke of the valuable contribution made by UNDP's Reforms and Innovation in Government for High Performance Project to public sector reform, especially in building capacities in the civil service in partnership with National School of Public Policy (NSPP) and providing technical backstopping to the Institutional Reforms Cell. She reiterated UNDP's alignment with the Government's development priorities and hoped that UNDP will continue to be regarded as a key strategic development partner of the Government of Pakistan.

# Summary of Presentations

## Overview of Government Key Reforms

The Institutional Reforms Cell (IRC) was established at the Prime Minister Office to serve as the Secretariat of the Task Force on Institutional Reforms. Secretary IRC, Dr. Samina T. Zehra outlined the initiatives undertaken by the PM's Task Forces on CSR and ARG including current achievements and

future reform efforts. She highlighted the activities undertaken by the Task Forces since their formation in September 2018 which includes 11 meetings and more than 45 consultative sessions involving over 1,400 participants. Dr. Zehra also talked about the notification of Provincial Task Forces to carry-out reforms at the provincial levels. The principles underlining the civil service reform include:



## The reform initiatives outlined by Dr. Samina at various stages of formulation and approval are listed as follows:

### Decisions taken by the Cabinet on the Recommendations of Task Force:

- ▶ Tenure security fixed to two years, extendable to three years, with a six-month performance review period;

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- ▶ Selection and postings of Federal Secretaries to be determined by a Selection Committee comprising of Ministers and Secretaries and chaired by Advisor on Establishment;

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- ▶ Selection of CEOs / Heads for key Public Sector Entities (PSEs) to be determined by a Selection Committee comprising of Minister in-charge, Secretary and one to three experts in domain knowledge;

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- ▶ Secretaries Committees activated for inter-ministerial coordination, resolving issues between different ministries, deliberating upon important policy matters and making recommendations to the Cabinet;

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- ▶ Technical Advisors proposed for assistance in technical decision-making to fifteen Ministers;

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- ▶ Introduction and adoption of e-governance in all Divisions/ attached departments/ autonomous bodies by:
  - Connecting all Federal Ministries through Local Area Networks (LAN);
  - Updating websites;
  - Shifting federal government communication on one domain (gov.pk);
  - End-to-end secure e-filing system for paperless government;
  - Making the Digital Transformation Committee (DTC) effective by holding regular meetings;
  - Strengthening the National Information Technology Board (NITB).



Dr. Samina Zehra

### Proposals Finalized by Task Forces for Submission to the Cabinet:

- ▶ Introducing a multi-tiered induction and recruitment process to test analytical ability, domain specific knowledge and aptitude of candidates;

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- ▶ Linking performance evaluation with job descriptions and pre-agreed KPIs and performance contracting between the PM and Ministers;

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- ▶ Amendments to Rules of Business:
  - Job descriptions of Secretaries and Ministers clarified for enhanced operational efficiency and accountability
  - Empowering the Cabinet to be responsible for policy formulation and overall decision making
  - Bring efficiency to day-to-day running of the government;

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- ▶ Reorganization of Federal Government into executive departments or autonomous bodies;

- Proposal under discussion to reconfigure about 440 organizational entities into executive departments or autonomous bodies through mergers, privatization, restructuring, winding up or transfer to provinces.
- ▶ Decision on 42 redundant organization under review by Secretaries Committee.

#### Proposals Finalized by Task Forces for Submission to the Cabinet:

- ▶ Linking salary increments and bonuses with performance;
- ▶ Upgrading the quality of training and expanding the in-service training opportunities for officers outside the cadre services;
- ▶ Assign National School of Public Policy (NSPP) an overarching role as an apex training institution for standard setting and monitoring;
- ▶ Accountability and Efficiency & Discipline (E&D) Rules:
  - Strengthening internal accountability mechanisms of departments;
  - Suitable changes in National Accountability Bureau (NAB) law to limit its jurisdiction and enable unhindered government functioning.
- ▶ Public Financial Management (PFM):
  - Submission of draft PFM Law to the Cabinet and Parliament in the next few months;
  - Financial Accounting & Budgeting System (FABS) to be used not only for transactions but as a tool for decision-making;
  - Achieve harmony between financial autonomy or organizations and system of financial controls;
  - Simplification of budgetary process and strengthening the financial powers of Principal Accounting Officers;
  - Abolition of Financial Accounting Officers (FAOs) and elevating the Chief Financial and Accounting Officers (CFAOs) as Chief Financial Officers (CFOs) for the Divisions.

#### Future Reform Areas:

- Promotion and career planning
- Severance and retirement
- Business Process Reengineering



Mr. Zafar Hasan



Mr. Shakeel Ahmed and Rana Kaiser Ishaque

# Induction and Training

The existing recruitment and induction system for civil service is marred with weaknesses of complex nature that have proven to impact the long-term institutional performance. Poor selection mechanism is a major contentious issue feeding the civil service decline. The existing recruitment process lumps together all occupational groups in a standard combined examination that defeats the objective of selecting suitable candidates with subject specialization corresponding to actual job requirements.

## Proposed Conceptual Framework

The gaps in the existing human resource management system in civil service can be addressed by professionalizing recruitment through overhaul of induction process that tests the analytical ability, domain specific knowledge and aptitude of candidates. Mr. Suleman Ghani chaired the discussion on induction and training reforms while Dr. Umair Javed presented the key outputs.

## Induction

The revised multi-tiered induction system proposed by the Task Force is outlined below:

**Stage- I of Competitive Exam:** This will comprise a compulsory section composed of objective testing of verbal and numerical reasoning. If necessary, testing of compulsory subjects (Islamiyat, Pakistan Studies, Current Affairs/General Science) will be retained through short questions. An essay will also be included to assess articulation abilities. Stage- I will serve as a screening test for candidates to proceed to stage- II. Stage-I testing will be held at least three months prior to registration for optional sections and scores will remain valid for up to 3 years.

**Stage- II of Competitive Exam:** The second stage will comprise of domain specific optional tests only for candidates that clear Stage-I screening. Three optional test clusters proposed are:

- Public Administration (PAS, OMG, PG, MLCG, RCTG)<sup>1</sup>
- Public Finance, Commerce and Trade (IRS, PCS, PAAS, PCTG)<sup>2</sup>
- Foreign and International Affairs (FSP)<sup>3</sup>

Candidates can appear for as many optional exam clusters as they prefer, but successful allocation to linked occupational groups can only happen if a candidate has appeared for its respective cluster. As a result, the existing practice of allocating residual talent to another cluster will be curbed. The level of knowledge tested in each cluster will be introduced at the university level.

**Personality and Motivation Testing:** Candidates who clear the competitive exam will proceed through a range of

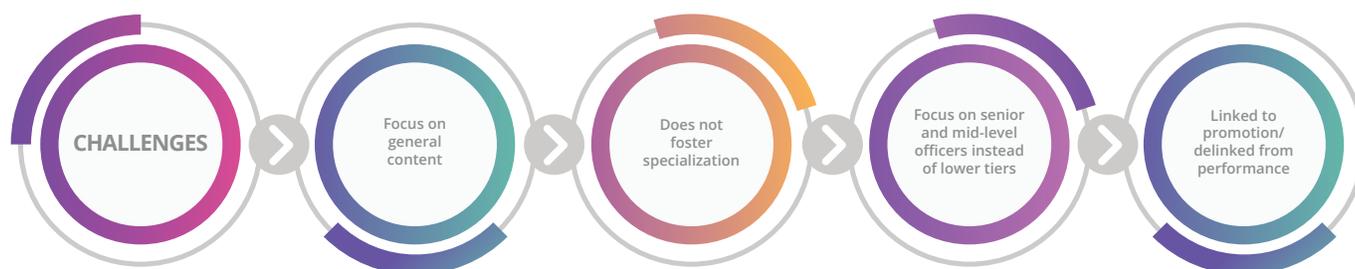
- 
1. Pakistan Administrative Service, Office Management Group, Postal Group, Military Land and Cantonment Group, Railways Commercial and Transport Group
  2. Internal Revenue Service, Pakistan Custom Service, Pakistan Audit and Account Service, Pakistan Commerce and Trade Group
  3. Foreign Service of Pakistan

evaluations to determine their motivation towards government service. This could include Situational Judgement Tests used in the United Kingdom (UK) Civil Service Fast Stream, Big Five Personality Test, Perry Public Service Motivation (PSM) Test. Big-5 and PSM have already been evaluated in the Pakistani context with public sector doctors and health workers in Punjab.

*Psychometric Testing:* This type of testing helps determine an individual's potential rather than knowledge and is designed to evaluate knowledge of specific context. This is why psychometric testing needs to be introduced at the induction level.

### Existing Training System

Following the discussion on induction reform proposal, Dr. Javed presented the training reforms taken up the Task Force. He laid the ground work by discussing the existing gaps in the training regime (illustrated in the diagram below) before proceeding on to the proposed framework.



Dr. Javed highlighted the keenness of the Government of Pakistan (GoP) to transform the current training programs to align the government structures with the citizens' expectations and to ensure increased capability, integrity and experience in the government. This, he said, requires a review of the curriculum and delivery of trainings to ensure that there is balance between leadership and management skills and domain-specific skills. Dr. Javed briefly talked about the customized Training Needs Assessment (TNA) undertaken by GoP to facilitate the restructuring of the training systems. The TNA entails, inter alia, a perception-based survey of cadre and ex-cadre officials who have graduated from pre-service and in-service (MCMC, SMC and NMC)<sup>4</sup> training courses during the last three years.

The training reforms proposed by the Task Force are dictated by three critical questions:



4. Mid-Career Management Course, Senior Management Course, National Management Course



Dr. Umair Javed & Mr. Suleman Ghani

## Proposed Training Reforms

- ▶ Adopt a National Standardized Training Policy to include ex-cadres who constitute the bulk of civil service workforce;
  - ▶ Address gaps in the training curriculum:
    - Introduce soft-skills like stress management, time management, media management, and negotiation skills;
    - Improve technical skills such as analytical and critical analysis skills for evidence-based policymaking;
    - Revise timeframe of various courses (MCMC and SMC in particular).
  - ▶ Develop understanding of modern drivers of change:
    - Use of technology-based solutions to service delivery and dynamics of new models of governance;
    - Expand the role of private sector;
    - Protocols are required to interface with the media.
  - ▶ Funding is split out thinly and institutes are unable to provide quality staff and expert resource. Funding needs to be increased for capacity development of permanent training staff.
  - ▶ Enhance domain specific trainings:
    - Improve group specific refresher components.
  - ▶ Investment in quality training of staff in Specialized Training Institutes;
  - ▶ Align training content to departmental priorities:
    - Training needs should be assessed regularly (every 3 years) and requirements for senior postings should be communicated to training institutes.
  - ▶ Urgent need to improve course evaluation:
    - Assessments should be made specific and should point out strengths and weaknesses of officers;
    - The Common Training Programme (CTP), which lasts for 15 months with no formal training for the next 10 years, needs deliberation.
- At the end of the presentation, Dr. Javed informed the participants that detailed recommendations regarding training reforms were solicited from heads of all training institutes, Ministry of Defence officials and representatives of key ministries/departments.

# KPIs and Performance Management

Civil service should be able to attract and retain high quality individuals in a competitive environment that supports continuous learning and provides equality of opportunity for career advancement without any reservations for any specific group.

Mr. Shahid H. Kardar presented the details of reforms proposed by the Task Force regarding the performance evaluation system of civil servants. He clarified the context of proposals that have been adapted to the post 18th amendment landscape. This necessitates restructuring of government and reviewing of mandates with further unbundling of service delivery aspects.

## Proposed Conceptual Framework Performance Evaluation System

Performance evaluation is a critical pillar of reform. While the performance of the bureaucracy is increasingly dependent on the performance evaluation systems, there is a growing incapacity for objective evaluation. The existing evaluation system is general and subjective in nature and relies on non-quantifiable attributes. Data for assessing accomplishment is of poor quality and either not available or updated irregularly. The existing human resource practice in the government

sector is confined to the organizational context of the divisions/wings. The functions of each Ministry, Division & Agency (MDA) are given as descriptive summaries of the overall mandate and functions of the ministries. The framework of functions that should be applied in relation to delivery of public service becomes increasingly untenable in the absence of job descriptions.

The existing system needs to be replaced by a results-based performance evaluation system that measures competence and efficiency against job descriptions, work assigned and targets of outputs and outcomes. Initially, support may be needed to assess which layer and level has to i) be assigned targets, ii) facilitate or coordinate efforts and iii) conduct oversight functions.

The following recommendations were outlined by the speaker to improve the performance evaluation system:

- ▶ Individual performance evaluation system has to be embedded in organizational level indicators and targets are to be reviewed regularly.
- ▶ Evaluations must be submitted in a timely manner in an automated, robust Human Resource Management system that flags missing reports.
- ▶ To promote performance culture, performance contracts need to be negotiated between the PM, the relevant Minister and then down the line:
  - Contract would set goals and based on that, objectives, quantifiable, measurable and verifiable KPIs and measures to achieve them;
  - Job descriptions with greater precision to be developed for enabling better internal distribution of targets and KPIs for appraising performance;
  - All organizations to publish Annual Reports on state of their sectors and their achievement of negotiated KPIs.
- ▶ Objectives, goals and targets are to be developed in a medium-term context, influenced by institutional mandates and allocations committed by Ministry of Finance to enable delivery plans and outputs.
- ▶ Regular progress reviews are to be conducted with appropriate safeguards to revise KPIs periodically for changing conditions (exogenous factors) and circumstances (government policy or priorities) beyond the control of the MDA or officer.
- ▶ A restructured Planning Commission can be empowered to

monitor and validate accomplishments of Ministries and the factors that constrained achievements of key targets and outcomes.

- Unified Pay Scale (UPS) being a major hurdle in incentivizing performance can be replaced by performance rewards with bonuses or some kind of pay enhancements certified by peer reviewers or third parties.
- The primary purpose of Performance Evaluation Reports (PERs) should be to develop potential of officers based on evaluation of goals, targets and priorities agreed upon at the start of year.
- Post holder should be given the right to review assessment of reporting and counter-signing officers.
- Post holders should also assess the mentoring and guidance provided to them by the senior/reporting officers.

**Promotions**

Mr. Kardar explained the present promotion policies that do not employ transparent quantifiable criteria. Diversity of experience is a major consideration for promotion. He proposed that eligibility for promotion from Grade 17 to 18 (non-selection posts) should be managed either through the existing arrangement of Departmental Committees using the existing criteria of seniority-cum-fitness or through Promotion Board with broader multipart membership. For appointments to Grade 19 and above, Mr. Kardar endorsed the idea of a competitive process open to all in the government service to invite a broader base of talent and experience. Some functions that are presently carried out by the Secretariat Group require knowledge and experience of government processes and systems and, therefore, may have to be retained within the same ministries.

Mr. Kardar also laid out the promotion criteria for grades 19 and above, summarized as follows:

Promotion criteria - Grades 19 and 20	<ul style="list-style-type: none"> <li>▪ Achievement against each target</li> <li>▪ Performance in compulsory domain trainings</li> <li>▪ Knowledge and quality of, and attitude towards work</li> <li>▪ Acceptance of responsibility</li> <li>▪ Decision-making ability for level</li> <li>▪ Ability to plan work and quality of task management</li> <li>▪ Intergrity and propriety</li> <li>▪ Political impartiality</li> <li>▪ Alignment/compatibility with departmental vision</li> <li>▪ Interpersonal skills and role as team player</li> <li>▪ Communication flair and public dealing</li> <li>▪ Analytical and problem solving capability</li> </ul>
Promotion criteria Grades 21 and above	<ul style="list-style-type: none"> <li>▪ Performance evaluation in two previous grades</li> <li>▪ Performance in some recent assignments</li> <li>▪ Willingness and ability to take additional responsibilities, initiatives and decisions</li> <li>▪ Ability to formulate tasks with clarity and assign them appropriately</li> <li>▪ Supervisory and coordination capability</li> <li>▪ Record of subordinate feedback on role as mentor and motivator</li> </ul>



Mr. Shahid Kardar

**Exit Policy**

Explaining the exit policy for civil servants, Mr. Kardar recommended that officers serving in grade 19 should be given clear indication of likelihood of promotion beyond grade 19. Those who have not been promoted after specified number of years in existing grades should stand retired with a decent retirement plan based on the level and years of service.

# Pay and Compensation

Pay and Compensation benefits that the civil servants receive have remained an active area of interest in the previous reform agendas. There has been a consensus, nevertheless, that the benefits of a decent living wage, far exceed its costs over time.

The gaps highlighted by Dr. Nadeem ul Haque in the present pay and compensation system are reproduced below:

- The current Unified Pay Scales seek to place all services on an artificial relative scale. This arbitrary equalization impedes professional growth.
- The salary structure is confusing owing to a host of allowances.
- A comparison of the public-sector employees with those working in identical or similar positions in the private sector has found that public sector wages have fallen significantly behind and the gap at senior levels is unacceptably large. However, Dr. Haque argues, the comparison is selective as the perks are not taken into consideration.



Mr. Humair Karim & Dr. Nadeem-ul-Haque

## Pay and Compensation - Key Facts



The **civilian workforce** in Federal Government as of July 2016

<b>396,053</b> Autonomous Bodies	<b>453,019</b> Federal Government	<b>117,533</b> Civilians paid out of defence
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**Federal Government wage bill** as a percentage of total Government expenditure was about **3-4% of the total government spending**, but this is more a reflection of the low salaries paid to the Government officers

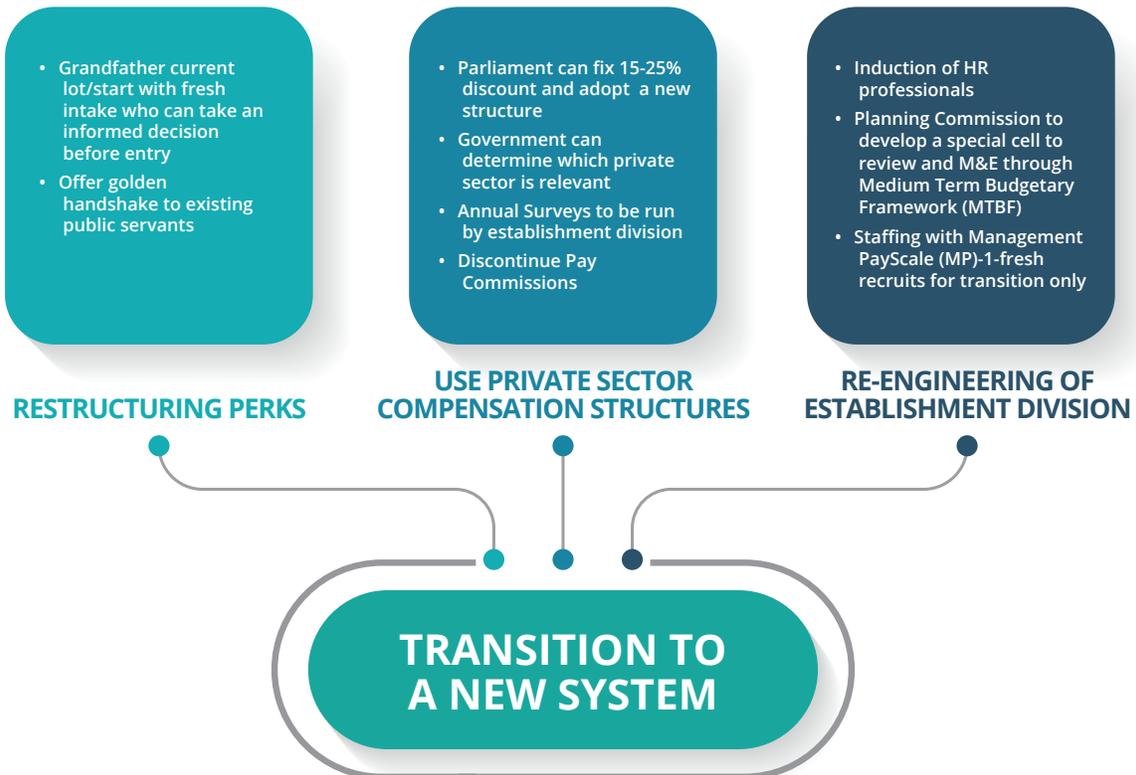
**More than 95%** of the workforce **is working in BS 1-16 scales**, while less than **5% percent are occupying BS 17-22 position**



The total estimated wage bill of the Federal Government for running of Civil Government stands at

**PKR. 242 bil.**  
for FY2018-19.

If the pensions are included, the total amount increases to **PKR.324 bil.** This accounts for **8% total current expenditure**, excluding the foreign loan payments.



- Currently, the bulk of payment to senior government officials is in perks (free center housing, fleet of cars for personal use, number of servants and hangers-on, utility bills, board memberships, subsidized clubs, arbitrary gifts of land).
- Perks are not uniformly available and have to be rationed, depending on discretion of powers that can be used to buy allegiance. In the rationing process, coalitions are formed and favours exchanged.
- The intervention of Pay Commissions has compounded the problem.
- Abuse of using attached departments and reporting autonomous bodies to finance unaccounted perks is a common practice.
- Residential enclaves of civil servants are insulated from the general populace and lack of public services issues they encounter.

### Proposed Conceptual Framework

One of the main output that civil service reform should seek is abolishing Unified Pay Scales. Pay grades need to be delinked from positions and vary directly with responsibility and performance. Moreover, there should be fewer pay grades varying for areas/ministries depending upon the nature and extent of responsibility of the ministry and the skill sets required for the division and position. Attached departments and autonomous bodies should have their own boards and pay structures based on responsibility, skill and performance. Current rules of business designate the secretary as a PAO of entire monoliths of government's

MDAs. The result is an excessive centralization that impedes productivity. The proposed system recommends each agency head and functional head to be recognized as a PAO and be given adequate power and resources with very clear lines of accountability and audit rules to deliver public service.

### Asset utilization

- ▶ As perks are given up, there must be a clear receivership of assets.
- ▶ Privatization Commission must receive inventory assets.
- ▶ Inventory and movement to be maintained online.
- ▶ Real estate is to be returned to cities for development in line with commercial potential of assets:
  - Guidelines for commercial development to be approved by the Cabinet.
- ▶ Smaller assets can be auctioned off in batches with reports to Cabinet and the public.

### Budgetary Impact

The additional cost of monetization of perks can be borne from restructuring and right-sizing the government as proposed by the Task Force.

In conclusion, Dr. Haque emphasized that the compensation system must be managed by the Establishment Division, Privatization Commission and Planning Commission, for maximum benefit, with Cabinet approvals and public information at each step.

## Conclusion



Mr. Humair Karim

The event enabled the participants from different backgrounds to better understand the various aspects of reform initiatives taken up the Task Force on civil service reforms. More importantly, the participants had the opportunity to ask questions. Wrapping up the discussion session, the Chief Governance MoPDR Mr. Javed Sikander thanked the participants for their insightful presentations and then invited the Additional Secretary, Mr. Muhammad Humair Karim to deliver the concluding remarks.

Mr. Karim talked about the main objectives of the 'Reforms and Innovation in Government for High Performance' Project. These include building on the institutional reforms undertaken

earlier in Pakistan, coordinating with the ministries and provincial governments to make them high performance organizations, expanding and upgrading management skills through development of module-based trainings and modernizing institutional reporting systems based on critical indicators of good governance. He also highlighted the need to look at public sector at four levels i.e. organizational performance, individual performance, aligning organizational and individual performance, and restructuring the service structure. Summing up, he expressed his hope that the event would serve as a platform for future dialogue on reforms to improve public service delivery.

# Appendices

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## EVENT FORMAT

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Thursday 18th April, 2019

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10:05 Welcome Address

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Mr. Zafar Hassan- Secretary MoPDR

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10:20 Keynote Address

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Dr. Ishrat Hussain- Advisor to the Prime Minister on Institutional Reforms and Austerity

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10:40 Opening Address

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Ms. Naoko Takasu- Deputy Resident Representative, UNDP

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11:00 Overview of Government Key Reforms

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Dr. Samina Zehra- Secretary, Institutional Reforms Cell

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11:20 Working Tea

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Presentations

11:30 Induction and Recruitment- Mr. Suleman Ghani and Dr. Umair Javed

Performance Evaluation- Mr. Shahid Kardar

Pay and Compensation- Dr. Nadeem-ul-Haque

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13:30 Concluding Remarks

Mr. Humair Karim- Additional Secretary MoPDR

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**PARTICIPANTS' LIST**

<b>Name</b>	<b>Organization</b>
Dr. Ishrat Hussain	Advisor to Prime Minister
Mr. Zafar Hasan	Federal Secretary, Ministry of Planning, Development and Reform
Mr. Muhammad Humair Karim	Ministry of Planning, Development and Reform
Mr. Javed Sikander	Ministry of Planning, Development and Reform
Mr. Hazoor Baksh	Ministry of Planning, Development and Reform
Ms. Naoko Takasu	United Nations Development Programme
Dr. Samina Zahra	Prime Minister Office
Mr. Hasan Hote	Prime Minister Office
Ms. Kashmala Kakakhel	Prime Minister Office
Mr. Saad Tamman	Prime Minister Office
Mr. Nazeer Mahr	The Research Institute
Mr. Naveed Iftekhhar	Independent Consultant
Mr. Shahid Kardar	Beaconhouse National University
Mr. Suleman Ghani	Retired Federal Secretary, Member Task Force
Dr. Nadeem-ul-Haq	Former Deputy Chairman Planning Commission, Member Task Force
Dr. Umair Javed	Lahore University of Management Sciences, Member Task Force
Mr. Burhan Rasool	Punjab IT Board, Member Task Force
Mr. Mosharraf Zaida	Tabadlab
Mr. Fahad Hasan	Asian Development Bank
Dr. Haroon Ur Rashid Rana	Japan International Cooperation Agency
Mr. Naveed Aziz	Department for International Development
Ms. Sarah Cooper	Department for International Development
Mr. Raymond Muhula	World Bank
Mr. Rana Kaiser Ishaque	United Nations Development Programme
Mr. Shakeel Ahmed	United Nations Development Programme
Mr. Hasaan Khawar	United Nations Development Programme
Mr. Usama Bakhtiar	United Nations Development Programme

## Stock-take SPEAKERS



### **Dr. Ishrat Hussain**

Dr. Ishrat Hussain is currently serving as Advisor to the Prime Minister on Institutional Reforms and Austerity with the status of Federal Minister. He is HEC Distinguished National Professor, Professor Emeritus and Chairman Centre for Excellence in Islamic Finance at the Institute of Business Administration, (IBA) Karachi. Dr. Hussain had a distinguished career at the World Bank for over two decades and was later appointed as the Governor of Pakistan's Central Bank. Among the key positions he held at the World Bank were Resident Representative to Nigeria, head of the Bank's Debt and International Finance Division, Chief Economist for Africa and later as Chief Economist for East Asia and Pacific Region which included China. He became the Bank's Director Poverty and Social Department and in 1997 he was named the Country Director for Central Asian Republics. He has earlier served as Dean and Director IBA - the oldest graduate business school in Pakistan and Chairman, National Commission for Government Reforms. The President of Pakistan conferred upon him the highest civilian award of Nishan e Imtiaz in 2016 for his outstanding public service.



### **Mr. Zafar Hasan**

Mr. Zafar Hasan belongs to the Pakistan Administrative Services and is currently serving as Secretary Ministry of Planning, Development and Reform. He has worked in various departments of Government of Pakistan at both federal and provincial levels.



### **Mr. Muhammad Humair Karim**

Mr. Humair Karim serves at Pakistan Administrative Services and is currently Additional Secretary Ministry of Planning, Development and Reform. Previously, he has worked in various departments of Government of Pakistan.



### **Ms. Naoko Takasu**

Ms. Naoko Takasu has over 20 years of experience in the development sector with multilateral and bilateral institutions as well as private sector. Prior to joining UNDP Country Office in Pakistan, she worked as a Country Programme Specialist at Bangkok Regional Hub (2014-2017) for UNDP's work in 15 Pacific Island Countries and Territories by supporting the Pacific Office in Fiji, Papua New Guinea Country Office and Samoa Multi-Country Office. She has also worked as a Programme Management Specialist at the UNDP Representation Office in Tokyo (2010-2014), playing a pivotal role in non-core resource mobilization and strengthening strategic partnerships with the Government of Japan.



### **Dr. Samina T. Zehra**

Dr. Zehra has served in Pakistan Customs Service as Director Customs Intelligence, Collector Customs Port Qasim among other postings. She is currently working as Secretary for the Task Forces on "Austerity & Restructuring of the Government" and "Civil Service Reforms" posted in IRC - PMO working under the chairmanship of Dr. Ishrat Hussain.

**Mr. Suleman Ghani**

Mr. Ghani has 36 years of experience in public service. He has worked at various important positions with the Government of Pakistan at federal and provincial levels. He has also worked with the international development sector in area ranging from policy; regulatory to institutional frameworks in key sectors of the economy and proposing reform initiatives to streamline these frameworks.

**Dr. Umair Javed**

Dr. Javed is the Assistant Professor in Politics and Sociology at the Lahore University of Management Sciences (LUMS). Previously, Dr. Javed has worked as a researcher at the Center for Economic Research in Pakistan (CERP), the Institute of Development and Economic Alternatives (IDEAS), and the International Growth Centre (IGC). He has also served as a research affiliate at the Consortium for Development Policy Research (CDPR). In August 2018, Dr. Javed was appointed as a member of the Prime Minister's Task Force on Civil Services Reform with the mandate to revise induction procedures and in-career training of centrally-recruited civil servants.

**Mr. Shahid Kardar**

Ex-governor, State Bank of Pakistan, Mr. Kardar has also served as Minister for Finance, Planning & Development, Excise & Taxation and Industries & Minerals Development, Government of Punjab. He had also held several other key positions including Chairman of the Punjab Education Foundation and a Member of the a) National Commission for Government Reform (2006-2008); b) Banking Laws Review Commission for four years; c) the Advisory Board of Kashf Microfinance Bank Ltd.; and d) several government Committees and Task Forces set up by the Federal and Punjab Governments.

**Dr. Nadeem-ul-Haque**

A Pakistani economist with extensive experience in policymaking during his long career at the International Monetary Fund. Dr. Haque has been Vice Chancellor of the Pakistan Institute of Development Economics (PIDE). He has also served as Deputy Chairman of the Planning Commission of Pakistan, leading the country's development effort. He developed the Framework for Economic Growth, which is widely regarded as an important blueprint for growth and development policy in the country.

**Mr. Javed Sikander**

Mr. Javed Sikander is the Chief Governance at the Ministry of Planning, Development and Reform. He brings with him an extensive experience of over three decades in research, administration, financial management and policy making in public sector. The highlight of this experience has been his working on the public sector reforms for last 15 years at the highest level. He is also project director of two projects i.e. "Young Development Fellows Programme" and "Reforms and Innovation in Government for High Performance" at the Ministry.



# About UNDP's Reforms and Innovation in Government for High Performance Project

United Nations Development Program (UNDP) has signed a four-year project with MoPDR titled "Reforms and Innovation in Government for High Performance". Under the project, the Government is undertaking various governance reforms and innovative measures for the performance of federal government organizations with technical assistance provided by UNDP.

Specifically, this support covers the following broad Outputs:

**Output 1** - Results-Based Management (RBM) compliant framework for Pakistan Vision 2025/ PSDP/ADP put in place and operational;

**Output 2** - Civil service and public administration reforms with distinct accountability and transparency mechanism promoted and piloted;

**Output 3** - Planning Ministry positioned and strengthened as public sector think tank and inter-provincial coordinator on development issues.

Strategic guidance and oversight of the project is carried out both by the Steering Committee of the Institutional Reform Group (IRG), Project Board which is co- chaired by the Minister, MoPDR and the Country Director, UNDP-Pakistan and an Executive Committee to oversee operations of the project. The Board's composition includes representatives of the Planning Commission, Economic Affairs Division, Finance Division, Establishment Division, IT Division, the Planning and Development Divisions of the provinces and the Pakistan Bureau of Statistics.

## KEY ACHIEVEMENTS TO DATE:

- Draft performance contracts were prepared by eleven target Ministries / Divisions assigning pre-agreed targets against Key Performance Indicators (KPIs) that are to be determined at the start of the financial year, and signed between the respective Ministers (and / or Secretaries) and the Prime Minister. The performance contracts are aligned with the goals of Vision 2025, Rules of Business, Public Sector Development Program (PSDP) and targets already agreed in the Green Book.
- A detailed summary including these draft contracts, quarterly performance reviews, as well as a KPI Tracking Unit housed in the Cabinet Division, has been submitted to the Prime Minister's Office for approval.
- Consultations have been held with key stakeholders within MoPDR and the Prime Minister Delivery Unit (PMDU) to determine performance-tracking needs and propose viable dashboard solutions that can allow monitoring and review of progress against strategic planning and policy frameworks – principally the Vision 2025 – but also, the PSDP, Performance Contracts, and / or the Sustainable Development Goals (SDGs).
- A comprehensive civil service reform package based on evidence and consensus among key stakeholders from federal and provinces have been developed and will be presented for the review and approval of the Prime Minister / Cabinet.
- One of the reform proposals seeking to raise the upper age limit from 28 to 30 years for CSS applicants has already been approved and implemented.

- With the support of the project, the MoPDR has become a member of a 60-country alliance – the Effective Institutions Platform (EIP) – jointly supported by Organisation for Economic Co-operation (OECD) and UNDP. The Platform provides opportunities for country-led and evidence-based policy dialogue, knowledge sharing and peer learning on public sector management and institutional reform.
- Launch a comprehensive Training Needs Assessment (TNA) exercise for identifying gaps between demand and supply of skills for public servants and propose measures to address them with evidence-based policy reforms, resource enhancements and changes in training content and structure.
- A series of consultative meetings held with NSPP regarding the introduction of new courses for civil servants and reduction in the existing course durations of various courses offered by the NSPP and its constituent units. As a result, the course duration for Senior Management Course (SMC) was reduced to 16-weeks from 20-weeks and National Management Course (NMC) was reduced from 22-weeks to 18-weeks.
- The MoPDR with technical assistance from the Ministry of Information Technology (MoIT) has introduced e-filing for official correspondence within the MoPDR.
- The project was instrumental in UNDP Pakistan's marking the Anti-Corruption week by signing MoUs with two partners, Accountability Lab (AL) and Peace & Justice Network (PJN) which involved all parties committing to cooperation and support for the promotion of accountability and transparency. AL and PJN will partner with UNDP Pakistan to test new solutions in consultation with the government to address challenges posed by SDG 16.
- The Ministry of Interior, Government of Pakistan and the United Nations Development Programme (UNDP) Pakistan (through the project) partnered to mark the Anti-Corruption week by renewing their commitment to innovative solutions and approaches for addressing corruption, that are creative, collaborative and evidence-based to address the challenges posed by SDG 16.
- Approval of establishment of NUPA, upgrading NSPP as a non-teaching university with a focus on the public administration

#### Way forward:

- Develop and/or customize a performance management dashboard solution that best meets the Government's performance-tracking needs
- Funding of Building Capacity to use Research Evidence (BCURE) through NSPP, a Harvard designed course for the senior public servant to use data in policy making.
- Expand policy research to support the governance reform package
- Conduct a training needs assessment for civil servants and follow-up activities to improve the training of the public servants
- Disseminate the findings of the First Citizen Perception Survey and assist the government in improving the public service delivery
- Partnerships with the civil society to help achieve the targets set for SDG 16 – Peace, Justice and Strong Institutions





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