



Local Government System in Khyber Pakhtunkhwa A Historical Analysis



Implemented by:



Imprint

As a federal enterprise, GIZ supports the German Government in achieving its objectives in the field of international cooperation for sustainable development.

Published by:

Support to Good Governance in Pakistan Programme funded by the German Ministry of Economic Development and Cooperation and implemented through Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH

Support to Good Governance in Pakistan Programme
Administrative Reform Component

6-D (4), Park Avenue Road, University Town, Peshawar, Pakistan
T (+92 91) 585 2532, 584 2585, 584 2586
F (+92 91) 585 2531
I www.giz.de

Responsible:

Catherine Isabel Froehling, Head of Governance Programme
Dr. Dettlef Barth, Principal Adviser, Administrative Reform Component

Author:

Muhammad Khaliq, Adviser Local Governance, Administrative Reform Component

Layout

Suleman Printers

Peshawar, December 2012

"All rights reserved. No part of this book may be reproduced by any means without written permission from GIZ. Reproduction for noncommercial purposes is permitted provided the source is named."

Preface

The importance of Local Governance is universe and globally this tier of governance is primarily responsible for municipal services. The subcontinent and Pakistan has rich history in Local Governance. However there is very interesting scenarios in the history of local governance in Pakistan. Always the Local Government system flourished in the eras of military governments, whether it was the time of General Ayub Khan Basic Democracies of 1959, the local bodies of General Zia-ul-Haq of 1979 or the devolution plan 2000 of General Musharaff.

The GIZ Governance Programme was launched in Pakistan to lay and strengthen the foundations for just, fair and equitable governance at the national and sub national levels in the country. The Governance Programme has three components, namely Administrative Reform, Tax Reform and Prevention of Violence Against Women Component. The Local Government and Rural Development Department, Government of Khyber Pakhtunkhwa is the key implementing partner of the programme. Since the Administrative Reform Component also deals with Strengthening of the local government system and TMAs/MCs, with the special focus on Malakand Division. Articles 246 and 247 of the Constitution of the Islamic Republic of Pakistan, 1973 has given special status to Provincially Administered Tribal Areas (Malakand), where after the big wave of militancy has special law of Nizam-e-Adal Regulation 2009.

As a result of PCNA and Malakand Strategy, it was recommended to provide accessible service delivery to the inhabitations to minimise their sufferings at the hands of mass displacement due to raging militancy and counter operation in the affected areas. For that very purpose, the Provincial Government of Khyber Pakhtunkhwa sanctioned creation of 10 new TMAs (subdivisions/ tehsils) in Malakand Division and posted new PUGF and non PUGF staff in these municipalities. To fully orient the staff of TMAs of the governance structure in Malakand, it was realised to have a study covering all the important

components of the governance in Malakand. Under the LGO 2001, all the three entities of the local government in the province were varying by size, population and taxable capacity. But the same three-tier system was present in the whole of the province (including Malakand) till the end of 2012. At the upper tier there was the District Government (DG) and its Zilla Council. Per section 14 of the NWFP LGO 2001, 29 social service delivery related departments like education, health, roads, agricultural extension, (including community development/ social welfare and industrial development) and others were administratively and financially devolved to district governments and kept in 11 groups. The district governments were created comprising of the pre-decentralisation provincial line departments. These district governments were assigned specified sources of own revenue generation. The 2nd important tier was TMA, responsible for the delivery of Municipal services, while the lowest level was UC and was responsible for petty nature of development and coordination with the other two big entities of the LG system.

At the end, I'm very much thankful to Mr. Aurangzeb Khan Secretary LG&RDD, Mr. Atta-ul-Haq Secretary Local Council Board, LCB management, Mr. Said Rehman Provincial Coordinator WATSAN Cell LG&RDD and all CMOs of the new municipalities of Malakand division for their support and special thanks to Mr. Muhammad Khaliq, Advisor Local Governance, Administrative Reform Component, Governance Programme for visualization and preparation of this Desk study on Local Government system under LGO 2001, in the province of Khyber Pakhtunkhwa.

Dr. Detlef Barth

Principal Advisor

Administrative Reform Component

Support to Good Governance Programme in Pakistan.

List of Acronyms

ADP	Annual Development Programme
AGP	Auditor General of Pakistan
ATOR	Assistant Tehsil Officer Regulation
BPS	Basic Pay Scale
CO	Chief Officer
CM	Chief Minister
DCO	District Coordination Officer
DDACs	District Development Advisory Committees
DDMOs	District Disaster Management Officers
DDMUs	District Disaster Management Units
DG	District Government
KP	Khyber Pakhtunkhwa
LCB	Local Council Board
LG	Local Government
LGO	Local Government Ordinance
LG&RDD	Local Government and Rural Development Department
PaRRSA	Provincial Relief Reconstruction and Settlement Authority
PCNA	Post-Crisis Needs Assessment
PDMA	Provincial Disaster Management Authority
PFC	Provincial Finance Commission
PHED	Public Health Engineering Department
PUGF	Provincial Unified Group of Functionaries
SLTR	Superintendent Lands Terminals and Rents
TMA	Tehsil Municipal Administration
TMO	Tehsil Municipal Officer
ToRs	Term of Reference
TTIP	Tax on Transfer of Immoveable Property
UC	Union Council

Contents

Preface.....	i
List of acronyms.....	ii
List of tables.....	iv
1. Historical background.....	1
2. Methodology of the study.....	2
3. Local Government and the 1973 Constitution of Pakistan.....	3
3.1 Present structure of the Local Governance.....	3
3.2 Developmental Planning Process in the Local Government.....	6
4. Local Governments Financial Resources.....	8
4.1 Union Administration Finances.....	8
4.2 Tehsil Municipal Administration Finances.....	9
4.3 District Government Finances.....	9
5. Functions and powers of the Tehsil Municipal Administration.....	10
6. Income Generation of Local Governments.....	12
6.1 Zilla Council income generation [own] sources.....	12
6.2 City District Council income generation [own] sources.....	12
6.3 Tehsil Council income generation [own] sources.....	12
6.4 Town Council Income generation [own] sources.....	13
6.5 Union Councils income generation [own] sources.....	13
7. Best practices in local taxation.....	14
8. Challenges and lessons learned in local taxation.....	15
9. Size of governing body and demarcation of boundaries of the Local Government.....	16
9.1 Composition of District Government/Zilla Council Secretariat.....	16
9.2 Tehsil/Town Municipal Administration.....	18
9.3 Union Administration.....	18
10. Local Council service cadre and strength.....	20
11. Tehsil/Sub-Division.....	22
11.1 Creation of ten (10) new TMAs in Malakand Division (PATA).....	24
11.2 Terms and Conditions laid down for the new TMAs of Malakand.....	26
11.3 Current Developments at the different Tiers of Local Government.....	28
12. District Development Advisory Committees (DDACs).....	30
Functions of the District Development Advisory Committees (DDACs).....	30
13. Divisional Commissioners.....	31
14. District Disaster Management Units.....	32
Composition and functions of DDMUs.....	32
15. Development Projects and their Impact.....	34
16. Challenges faced to development partners in Local Governance.....	35
17. References.....	36

List of tables

Table 1: Processing of development schemes.....	07
Table 2: Administration cadre (PUGF).....	20
Table 3: Engineering cadre (PUGF).....	20
Table 4: Accounts cadre (PUGF).....	20
Table 5: Provincial unified group of functionaries (PUGF).....	21
Table 6: List of Tehsils/Subdivisions in Khyber Pakhtunkhwa.....	22
Table 7: District-wise newly created TMAs in Swat, Bunner, Dir (L) and Dir (U).....	26
Table 8: TMA level LG profile in the seven districts of the Malakand Division.....	27

1. Historical Background

The Pakistan has seen three local government systems since 1959. The first one was the “Basic Democracies” (BDs) system, which was a four-tier system brought in by a military government. This system was abolished in 1969 at the end of the military regime. In 1979, local governments were again created under a military regime. Under this system, separate local bodies were created under provincial control for urban and rural areas. Assignment of functions was not very different from the BDs and revenue assignment remained weak. The system continued, but faced problems as well. In some cases, the provincial governments replaced elected councils with appointed administrators, and this arrangement continued for nearly a decade. This system was replaced by the present structure of the devolved local governments in the year 2001 again in the era of military rule.

The local governments in each province and district vary by size, population and taxable capacity. But the same three-tier system is present in each of the four provinces. At the upper tier in this system is the District Government (DG) and its Zilla Council. As per section 14 of the Khyber Pakhtunkhwa LGO 2001, 30 departments like education, health, roads, agricultural extension, (including community development/ social welfare and industrial development) and others related to delivery of social services, have been kept in 11 groups. These have been administratively and financially devolved to district governments. The districts have been created from the pre-decentralisation of provincial departments. The district governments have been assigned specified sources of own revenue generation.

The second tier comprises Tehsil (Towns in Peshawar) Municipal Administrations (TMA) and its Tehsil/Town Council. Each district area is divided into TMA jurisdictions, with the number depending upon the area and population of a district. This tier was created from the pre-2001 urban local bodies, for example, Town Committees, Municipal Committees and Municipal Corporation by adding the rural hinterland. Originally, the Tehsils were geographic entities created under the 1967 Land Revenue Act for land revenue administration. With the changes in 2001, the entire Tehsil became entitled to services earlier provided

only in the urban canters. The jurisdiction of local bodies (corporation, municipal committee, town committee) under the earlier local government system had extended to incorporated urban areas only. For rural areas, another local body, the District Council, existed with a smaller set of functions. The TMA jurisdiction includes both rural and urban areas, with the earlier urban nucleus serving as its headquarter. The TMA functions are largely municipal services and urban building control.

As part of the transformation, the provincial Public Health Engineering Department, the agency responsible for supply of drinking water and sanitation facilities in rural areas, was merged into TMA, providing it with the organisational structure to extend its services into the newly annexed rural areas. In practice, the Public Health Engineering Department has remained independent till date.

The third tier of Local Government is the Union Administration and its elected Council. The TMA area is divided into Unions, both in urban and rural areas. The unions perform a few minor functions and have little power to raise revenue. They are financed by a fixed provincial grant from General Sales Tax in lieu of Zilla Tax. This tax was disbanded by the Federal Government in pre-devolution era.

Most districts, notwithstanding their rural or urban character, are treated alike in the law. In general, the assignment of functions and sources of revenue is not different between urban or rural districts. The exception to the rule is the City District (Peshawar declared “City District”). The assignment of functions and revenue varies from the ordinary Districts only slightly. The major difference is that instead of being divided into Tehsil Municipal Administrations, the Peshawar City District is divided into four Town Municipal Administrations. The division of functions between the two tiers has led to more centralisation of service delivery in the city district. For instance, water supply, urban planning and building control are district functions in City District of Peshawar but are with the TMA in ordinary districts of Khyber Pakhtunkhwa. All the District Governments, Tehsil Municipal Administrations and Union Administrations vary in size, population, staffing and budgetary capacity.

2. Methodology of The Study

This study basically relies on primary and secondary sources of information. The primary data was collected through interviews with various Local Government stakeholders, Local Council Board Khyber Pakhtunkhwa officials, Tehsil Municipal Officers of TMA Mandanr and Totalai in Buner and Kabal, Bahrain and Barikot in Swat (focal persons for all the newly created 10 TMAs in Malakand Division), and District Disaster Management Officer and District Disaster Management Unit, Swat. The secondary data was collected from rules, notifications,

Acts including Local Government Act 2001, District Government and TMA Budget Rules, 2003, National Disaster Management Act 2010, notifications including North-West Frontier Province Local Government (Amendment) Act 2010, Constitution of Pakistan and Secretary LG&RDD Government of Khyber Pakhtunkhwa notification dated 13-01-2010 as well as from own experiments being a key Actor in the Local Government systems of 1979 and 2001.

3. Local Government and The 1973 Constitution of Pakistan

Under the Constitution of Pakistan, the Local Government is a provincial subject. Provinces can lay down the basic legal framework for their creation and operation. The Constitution distributes revenue powers between the Federal Government and provinces and in turn provinces decentralise some of their powers to the Local Governments. Functions and revenue raising powers are assigned to the Local Governments through provincial laws. In practice, the Local Governments have always been created under laws simultaneously legislated in each province. After the famous 18th Constitutional Amendment, now the 1973 Constitution provides the following space provision for the Local Government and decentralised system of governance:

- The State shall encourage Local Government institutions composed of elected representatives of the areas concerned and in such institutions special representation will be given to peasants, workers and women
- Promotion of social justice and eradication of social evils. The State shall: Decentralise the Government administration so as to facilitate expeditious disposal of its business to meet the convenience and requirements of the public
- Each Province shall, by law, establish a Local Government system and devolve political, administrative and financial responsibility and authority to the elected representatives of the Local Governments and elections

3.1 Present structure of the Local Government

Under the Local Government Ordinance 2001, there are three tiers of Local Governments at district, Tehsil and union levels, which have an elected executive and an elected council. The elections create dual offices. At the lowest tier, members of the union council are elected through direct elections. Each union council consists of 13 councillors, including the Nazim and Naib Nazim of the union. Each Union comprising of thirteen (13) members elected directly. They are six Muslim members elected to general seats, including two reserved for women; four members elected to seats reserved for peasants and workers, including two reserved for women; one member elected to a seat reserved for minority communities;

and Union Nazim and Naib Nazim elected as joint candidates. The Nazim serves as the executive head and Naib Nazim functions as the speaker of the council. Nazim of the Union Council is member of the Council, while Nazim of the District Government and TMA are not members of their respective councils. One-third of the seats of the Union Council are reserved for women and peasant worker councillors. For Union, the general voters elect the members including panel of Nazim and Naib Nazim, while for Tehsil and Zilla councils, the Naib Nazims and Nazims of Union Councils become general members for both the councils, respectively. All the elected members within the jurisdiction of Tehsil and district elect members for the reserved seats (women, peasant workers and minority) for the Tehsil and Zilla Councils. Both men and women residents of the union elect councillors for the general and reserved seats under a multiple constituency ward system. Elections are held on the basis of adult franchise. The Union Nazim plays dual role, one as head of the Union Council, while the 2nd as member of the Zilla council. The Nazims from all the Union Councils in a district, in addition to their election as Union Nazim, serve as ex-officio members of the Zilla Council. All Union Nazims whether they are from rural or urban areas are members of the Zilla Council. They form two-thirds of the membership of the Council. The remaining one-third of the Council is comprised of reserved seats.

At the Tehsil level, the Naib Nazims from all the Unions in a TMA jurisdiction are also elected ex-officio members of the Tehsil council. The Tehsil is subordinate to Zilla/district. In some districts, 2/3 tehsils fall in one District. Similar to the Zilla Council, one-third of the membership of the Tehsil Council is in the form of reserved seats. The district and TMA Nazims are elected indirectly. All the councillors of the Unions in a district form the Electoral College for the District Nazim. The Electoral College for the Tehsil Nazim is the membership of the unions in the Tehsil jurisdiction. The Nazims can be recalled by a simple majority of the respective council.

Two rounds of elections to the Local Governments have been held since 2001. The Councils at each level are empowered to approve budgets. No expenditure can be carried out without the budgetary approval. District accounts are maintained by Provincial or Federal accountants. All the employees working in the District Accounts Offices are under the Control of Accountant General, but some 50% of them are Federal Government employees while the remaining 50% are Provincial Government employees. The accounting formats for the districts have been prescribed by the Auditor General of Pakistan (AGP). The TMA accounting has yet to catch up. They have the accounting system, but the Federal Government has not yet introduced proper formats, hence the formats used prior to devolution are still in use of TMAs accounts. The TMA accounts are managed by accountants within the TMA. An elaborate system of audit is present at the district level with pre and annual post audit of district accounts carried out by the Federal AGP. The TMA and union audit is carried out by a provincial agency, the "Local Fund Audit". Secretary Union Council is performing as internal accountant, while the Auditor of the provincial Local Fund audit is performing duty of external Auditor for Union Council funds. All the three Accounts Committees of the councils receive an annual audit report for their respective executives/administrations and is empowered to hold them accountable in light of the audit report. As per NWFP LGO 2001, the audit of the Tehsil Municipal Administration, Town Municipal Administration and Union Administration shall be conducted by the Local Fund Audit Department in the prescribed manner for such period as may be determined by the Auditor General of Pakistan. The Nazim shall cause the audit report to be submitted to the respective Council and the Council shall refer to its Accounts Committee for examination. It is the respective Accounts Committee (elected forum) which examines and decides to settle the audit Para or penalise the defaulter person(s) of the administration.

Local governments have a weak constitutional status. Despite a declaration in its favour in the

'Principles of Policy' in the 1973 Constitution, provinces are technically unencumbered in the choice of assignment of functions or revenues to the Local Governments. Under a constitutional provision, the Local Governments created in 2001 were protected until the end of 2009 giving them sufficient time to stabilise, ie they might not be abolished. In the last three decades, the Local Governments have paradoxically thrived under military governments but were considerably weakened under democratic Provincial Governments. This is partly due to attempts by military governments at engineering new political leadership through elected Local Governments. On the other hand, the democratically elected Provincial Governments see local governments as competitors at the constituency level. During the 1990s, local councils were disbanded and the local bodies were managed by appointed provincial civil servants for varying durations in the provinces. Since these Administrators were appointed by the Provincial Governments, hence they were accountable to Provincial Governments. They exercised all the powers and functions of the head of the administration as well as of elected councils.

The friction between provincial and local governments has been an on-going phenomenon as has been the case in the past. Since the creation of the new Local Government System in 2001, the assignment of revenue, and the posting of officers and other subjects have been contested fields. Provinces have exercised a close control over the local budgetary functions, retaining establishment control, prescribing priorities for local budgets and sometimes requiring ex-ante provincial approval for incurring expenditures. In some cases, the local functions have been centralised by the provinces. The spirit of the LGO and preamble of the Act are crystal clear about the administrative devolution, but right from 2001 the provincial government has never abided by this and has always violated it repeatedly. In some cases, the Provincial Government has misused section 4 of the NWFP LGO 2001, on the pretext that the Local Governments established under LGO 2001 shall function

within the Provincial framework and adhere to the Federal and Provincial laws and in performance of their functions, the local governments shall not impede or prejudice the exercise of the executive authority of the Provincial Government.

In 2005, amendments to the LG law were made after an agreement between the provinces and the Federal Government, which allowed provinces through the Chief Executive of the Province (Chief Minister) to unseat Nazims if they did not perform well and prescribe developmental priorities for the local councils.

After the general elections in February 2008, the newly elected Provincial and Federal Governments have once again raised questions about the Local Governments, their mandate, activities, accounts and performance. Informal and formal discussions/consultations are taking place among the stakeholders to reform the system. In this connection. The Prime Minister on the occasion of a workshop on “Successful Models in Capacity Development for Local Self-Governance Towards Urban Renewal and Rural Reconstruction” held on 18th-19th August, 2008 at Islamabad, announced that the present system lacked legitimacy, and it was promulgated without sufficient debate and at a time when the national and Provincial legislatures, as well as elected Chief Ministers, were not in place. It also alienated core components of the bureaucracy. As a result of these factors, the system lacked ownership among some of the most important institutions of the country and was surrounded in controversy. He complained that the Devolution Plan introduced radical changes too fast and too soon. It failed to anticipate the kind of infrastructure and capacities that were required. It created inter-service bickering with the simultaneous promulgation of the equally ill-conceived Police Order. It radically changed the time-tested system of administration at the district level, and introduced a cumbersome and ineffective system. And it undermined the law and order functions at the local level, as a result of which law and order suffered badly. The Prime Minister claimed that all the political parties in the coalition government

are committed to support effective local governance, however, that the system of local government needs the kind of legitimacy that comes from decisions taken by democratically elected governments, and by respecting the Constitution and the constitutional mandates of the Federating Units. He proposed that the Local Government institutions should be provided sufficient constitutional protection and Local Government elections should be held on the basis of political parties.

Large scale centralisation has also been actively debated in the press. The National Assembly has also debated the future of Local Governments, with some of the members calling for their abolition. Provinces are also debating abolition of the new Local Governments and some advocate reversing the system to the 1979 law, which allowed most of the currently assigned functions like education, health, roads and rural water supply to be directly performed by Provincial Governments. The KP government has drafted its new Act of Local Government, and tabled it before the Provincial Assembly for process; this reflects a total U-turn of the present devolved district government system, back to 1979 system of local bodies. After the expiry of the protection provided in the Constitution till December 31, 2009, available to the devolved LG system, the Provincial Assembly of KP brought Local Government (Amendment) Bill of 2010 by inserting the new section 179-B in the LGO 2001, enabling the Provincial Government to dissolve the Zilla Councils, Tehsil Councils, Town Councils and Union Councils. Consequent upon this, all the Nazims, Naib Nazims and other members of Zila Councils, Tehsil Councils, Town Councils and Union Councils in the Province ceased to hold their respective offices. Soon after the dissolution of the Local Councils, the Provincial Government appointed Administrators for the Local Governments, who are authorised to exercise the powers of the Nazims, Naib Nazims and Local Council of the concerned Local Government. Accordingly, the Government from time to time issues directions to them, in the performance of their functions or exercise of powers pertaining to the Local Government.

3.2 Developmental Planning Process in the Local Government

As per KP District Government and Tehsil Municipal Administration (budget) Rules, 2003, Development Projects are those which are included in ADP and duly passed by the respective council of LG under the head/sector of development budget. The Provincial Government has not yet framed budget rules for Union Council; however, the LGO 2001 is covering all the 3 tiers, hence in the sense the rules framed for 2 tiers ie Tehsil and District are required to be applied to UC as well.

The following process/cycle is needed for the development projects executed by any tier of the LG:

Identification of development project by all the stakeholders (elected, appointed, civil

society, CCBs, Nazims, Naib Nazims, etc); preparation of project outline by concerned Office (technical costing); approval of development project outline by the Budget and Development Committee (Budget and Development Committee is pre-budget approval forum, which vets developmental and non-developmental income and expenditure of the budget of the council); preparation of detailed development project proposal; preparation of technical sanction for development projects involving works; approval by Budget and Development Committee (BDC); issuance of Administrative Approval and Technical Sanction; inclusion in Annual Development Programme; Approval by Council (Zilla, Tehsil & Union).

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

Zilla Nazim	Chairman
District Coordination Officer	Member
Executive District Officers	Members
Executive District Officer (F&P)	Member/Secretary
The composition of the Tehsil Budget and Development Committee is as follows:	
Tehsil Nazim	Chairman
Tehsil Municipal Officer	Member
Tehsil Officers	Members
Tehsil Officer (Finance)	Member/Secretary
<p>After the Budget and Development Committee approval, the development project proposal, the District Coordination Officer (DCO) and Tehsil Municipal Officer (TMO) conveys the Administrative Approval on behalf of the respective Budget and Development Committee.</p> <p>Since the union administration has no own internal infrastructural unit for designing and technical estimation of developmental schemes, hence under the law the TMA's, technical staff provides support and services to the UC. The Budget and Development Committees shall hold monthly meetings for reviewing and monitoring the implementation of the budget. According to the LG budget Rules 2003, the following timeline or calendar shall be used by all the LGs for developmental activities:</p>	

Table 1: Processing of Development Schemes

S#	Activity	Target Date
1	Processing of Development Schemes	August - January
1.1	Submission of schemes by Councils and other Stakeholders, etc	
1.2	Review of proposals by concerned offices	
1.3	Approval of Development Committee to prepare project proposal	
1.4	Preparation of project proposal by concerned offices	
1.5	Administrative Approval of project proposal by Development Committee	
1.6	Preparation of detailed estimates and accordance of technical sanction	
1.7	Inclusion of Development Projects in Annual Development Programme and submission with Draft Budget	April
1.8	Approval of Budget by Council	June
1.9	Implementation of projects by executing agencies	July

It is pertinent to mention that the Provincial Government by utilising advantage of the newly legislated/inserted section of 179-B in the LGO 2001, through a notification has directed all the Administrators of the LGs in the province to distribute the developmental budgets/ADP, CCB [Citizens Community Boards] and non-CCB funds on the recommendation of the members of the

Provincial Assembly and elders. Accordingly, these administrators have complied with and the government is approving schemes under the developmental budget of the Local Governments, identified by the concerned MPAs and elders (politically near to the government) out of the developmental budget of LG for the financial year of 2010-11.

4. Local Governments Financial Resources

Per law, all the three tiers of LG are bodies corporate, having administrative, political and financial autonomy, but all the three entities are different from one another within the context of financial viability. There are two main sources of the budget of the LG entities, one is own source generation/local taxation and another is grants of the government. The LGO 2001 says that there shall be established a District Fund, a Tehsil Local Fund, a Town Local Fund and a Union Local Fund, as the case may be for each respective Local Government and all revenues received by a Local Government Fund including the following shall be part and parcel of the council budget (annual statement of developmental and non-developmental income and expenditure).

- a. Monies transferred by another Local Government under this Ordinance
- b. Grants made to or monies received by a Local Government from the Government or other authorities in Pakistan
- c. The proceeds of taxes or charges levied by a Local Government under this Ordinance
- d. Rents and profits payable or accruing to a Local Government from immovable property vested in or controlled or managed by it
- e. Proceeds or any other profits howsoever known or called from bank accounts, investments of commercial enterprises of a Local Government
- f. Gifts, grants or contributions to a Local Government by individuals or institutions
- g. Income accruing from markets or fairs regulated by a Local Government
- h. Fines paid with respect to offences under this Ordinance or by laws or under any other law for the time being in force in which provision is made for the fines to be credited to the Funds established under this Ordinance
- i. Income accruing from markets or fairs regulated by a Local Government
- j. Fines paid with respect to offences under

this Ordinance or by-laws or under any other law for the time being in force in which provision is made for the fines to be credited to the Funds established under this Ordinance:

- Proceeds from other sources of income which are placed at the disposal of a Local Government under directions of the Government; and
- All monies transferred to a Local Government by the Government

And all other money including receipts accruing from trusts administered or managed by a Local Government; Refundable deposits received by a Local Government; and Deferred liabilities shall be credited to the Public Account of the respective Local Government.

4.1 Union Administration Finances

There are some 987 Union Councils in the whole of KP, mostly their main source of budget is annual grants coming from the Provincial Government under the head of Zilla tax. This Zilla Tax was a local tax on the transportation/exit of local products from district to another for use or sale and existed in pre-devolution era, then in the end of late 90s this was abolished by the Federal Government with the commitment that the financial vacuum and deficits occurring would be filled and financed by it, by giving specific portion from its general sales tax income. Now the same comes to province and the province distributes this among all the Union Councils via district within the province of KP. Each district in the KP has its different share in it. The Union Councils have own sources of income, which are provided in the 2nd schedule of LGO 2001. Though the composition of the Union Council is uniform in the whole of KP, the budget of one Union Council differs from the other. For example, the average quantum of the Union Council budget in Swat is around Rs. 500000 per annum, whereas in district Shangla each Union Council has hardly budgeted Rs. 100000 per annum. Because Swat is receiving high share in Zilla tax compared to Shangla.

4.2 Tehsil Municipal Administration Finances

Presently there are 65 TMAs in the province of Khyber Pakhtunkhwa. On the pattern of UCs these are generating their own resources and the Provincial Government is also providing different grants, the grant under PFC Award has already been prescribed @ 30% share for TMAs in the district while 70% goes to district government. The Union Administrations receives share from Zilla Tax only. The Finance Commission shall consist of ten (10) members, including Minister for Finance of the KP Government, who shall also be the Chairman of the Finance Commission. Four members shall be ex-officio, namely, they are the Minister Finance, the Secretary to the Government, Local Government and Rural Development Department; the Secretary to the Government, Finance Department, who shall be the Secretary of the Commission as well, and the Secretary to the Government, Planning and Development Department. There are three professional members from the private sector to be appointed in the manner stated in the Seventh Schedule of the LGO 2001 and one Zilla Nazim, one Tehsil or Town Nazim and one Union Nazim. The Provincial Finance Commission headed by the Provincial Finance Minister announces award annually or for 2/3 years, the commission decides that how each district would receive from PFC. Normally this is decided by the commission on the already set formula, considering population, area, lack of infrastructure or backwardness and revenue potential of the district.

Each TMA also gets Octroi share from the Provincial Government in shape of grant; Octroi was also local tax of the urban councils in the pre-devolution time. This tax was collected on the import/entry of goods in the urban limits for consumption and sale, but this was also disbanded on the pattern of Zilla tax, and now the TMAs of KP receive this from the Federal Government through Provincial Government from GST in the shape of Octroi grant. The composition of TMA and its size of budget is totally different from each other, for example TMA Barikot comprises of 4 UCs while TMA Mardan has 58 Union Councils. Similar is the position of the budget. The weak

TMA has hardly annual budget of Rs.2 million while some TMAs have more than Rs.200 million annual budgets. As far as size of the Tehsil is concerned, under the Land Revenue Act 1967, the Provincial Government has the power to create new district or Tehsil.

4.3 District Government Finances

The district government budget mainly consists of Provincial Government grants and its prescribed share of 70% in the PFC award and own revenue income. There are 25 districts in Khyber Pakhtunkhwa. On the one hand the weakest districts of Tank, Kohistan and Chitral, while on the other we have financially stable district governments of Peshawar, Nowshera, Haripur and Swat, as these are populated and having potentials of own sources of generation, hence they get handsome share in grants and PFC award, etc:

Under the LGO 2001, thirty (30) different departments have been devolved to district government and kept in 11 groups. All these are receiving salary, non-salary and developmental funds from the Provincial Governments, which become part and parcel of the district budget. Budget of each LG entity comprises of developmental and non-developmental heads. Funds earmarked/allocated for the execution of social sector infrastructure related to new schemes or its repairs falls in the head of developmental expenditure while all other expenses whether it is salaries, non-salaries, utilities, expenses, etc come under non-developmental expenditure head.

5. Functions and Powers of The Tehsil Municipal Administration

Per section 54 of the Khyber Pakhtunkhwa Local Government Act of 2001, the TMA is responsible to carry out water supply, fire fighting and sanitation functions in its area of jurisdiction. At the moment majority of TMAs are providing water supplies in their urban localities while in rural areas this responsibility is fulfilled by the Public Health Engineering Department (PHED). Most of the TMAs have fire stations with fire fighting units and staff. The sanitation responsibility is also looked after by the TMA, but this is properly managed by the TMAs in the urban localities while the rural is almost neglected in this field. The following functions are performed by the Tehsil Municipal Administrations:

Under the NWFP LGO 2001, the functions and powers of the Tehsil Municipal Administration are to prepare spatial plans for the Tehsil in collaboration with Union Councils, including plans for land use, zoning and functions, for which the Tehsil Municipal Administration is responsible, none of the TMAs have prepared or implemented spatial or land zoning plan in the whole of KP. To seek approval of the Tehsil Council to the spatial plans prepared by it after due process of dissemination and public enquiry, incorporating modifications on the basis of such inquiry; to execute and manage development plans; to exercise control over land-use, land subdivision, land development and zoning by public and private sectors for any purpose, including for agriculture, industry, commerce markets, shopping and other employment centres; residential, recreation, parks, entertainment, passenger and freight transport and transit stations; to enforce all municipal laws, rules and bylaws governing its functioning:

Provided that the Tehsil Municipal Administration may, with the approval of Tehsil Council, exempt any Union from application of any specific provision of the bylaws made by the Tehsil Council under this Ordinance; provided further that the government may, on the recommendations of Tehsil Municipal Administration through District Government, exempt any Union or a part thereof from the application of rules relating to land use, building control, tax on property or in any other matter dealing with municipal services: provided also that such exemption shall not extend to any organised housing schemes, zoning of industrial

and commercial areas, and matters concerning environmental protection; prevent encroachments; regulate affixing of signboards and advertisements; provide, manage, operate, maintain and improve the municipal infrastructure and services, including:

Water supply and control and development of water sources, other than systems maintained by the Union and Village Councils (village or neighbourhood council is elected forum. The concept of village council is available in the LGO 2001. Per law, the number of members of Village Council and Neighbourhood Council shall be five (5) to eleven (11) members each; provided that for each Council one seat shall be reserved for women and one for peasants and workers. The Village Council and Neighbourhood Council shall each be Headed by a Chairman who shall be the person securing highest number of votes in the election of Village Council or, as the case may be, Neighbourhood Council. But the government has never encouraged this tier; hence it lost its existence. However, the DTCE (UNDP) has facilitated its election and formation in some districts of the KP). Sewerage, sewage and sewage treatment and disposal; Storm water drainage; Sanitation and solid waste collection and sanitary disposal of solid, liquid, industrial and hospital wastes; roads and streets, other than roads falling under the jurisdiction of, and maintained by, the District Government or Government and streets maintained by the Union Administration or Village Council; traffic planning, engineering and management including traffic signalling systems, signs on roads, street markings, parking places, transport stations, stops, stands and terminals; street lighting, fire fighting; parks, playgrounds, open spaces and arboriculture; and slaughterhouses; compile information provided by Union and Village Councils of prioritised projects in the Tehsils; prepare budget, long term and annual municipal development programmes in collaboration with the Union Councils, under the directions of Tehsil Nazim; maintain, with the assistance of the District Government, Union and Village Councils, a comprehensive data base and information system for Tehsil Municipal Administration and provide public access to it on nominal charges; propose taxes, cesses, user fees, rates, rents, tolls, charges, surcharges, levies, fines and penalties under Part-III of the Second Schedule

for approval of the Tehsil Council and notify the same after such approval; collect approved taxes, cess, user fees, rates, rents, tolls, charges, fines and penalties; organise sports, cultural, recreational events, fairs and shows; organise cattle fairs and cattle markets; coordinate and support municipal functions amongst Unions and Villages; regulate markets and services and issue licences, permits, grant permissions and impose penalties for violation thereof as and where applicable; manage properties, assets and funds vested in the Tehsil Municipal Administration; develop and manage schemes, including site development, in collaboration with the District Government and Union Administration;

Also, to authorise an officer or officers to issue notice to a person committing any municipal offence and initiate legal proceedings for continuance of commission of such offence or for failure to comply with the directions contained in such notice; prosecute, sue and follow up criminal, civil and recovery proceedings against violators of municipal laws in the courts of competent jurisdiction; maintain municipal records and archives; and prepare financial statements and present them for internal and external audit in the manner as may be prescribed.

The Tehsil Municipal Administration may

Propose taxes, cess, user fees, rates, rents, tolls, charges, levies, fines and penalties under Part-II of the Second Schedule for approval of the Tehsil Council and notify the same after such approval, assign or contract out, on such terms and conditions as are approved by the Tehsil Council and after inviting public objections, any of its functions to any public-private, public or private organisation: provided that responsibility for discharge of such functions shall continue to vest with the Tehsil Municipal Administration. On such terms and conditions as are mutually agreed, transfer its functions or responsibilities with regard to providing municipal services to the Union Administration or Village Council: Provided that no function or responsibility shall be transferred without allocation of corresponding resources and funds: Provided further that the responsibility to regulate and monitor such functions and services shall remain with the Tehsil Municipal Administration; (so many TMAs with

the approval of their Councils have assigned their municipal functions especially related to water supply, sanitation and street lighting to the Unions falling in their areas, these examples exist in Swat, Nowshera, Mardan and Peshawar etc); by an agreement and on such terms and conditions as may be mutually agreed, perform any function of the District Government; With funds raised through voluntary contributions or external grant, but without recourse to additional enhanced taxation, user charges or fees or recourse to any other sources of public funds and without incurring debt of any nature, undertake any development project; with the approval of the Government and concerned regulatory authorities of the Federal Government and Provincial Government, set up, acquire, manage and operate any commercial activity on a self-financing basis with no liability to the public exchequer; and set-up a corporate body to perform any of its functions, singly or jointly with other public or private bodies:

6. Income Generation of Local Governments

There are two main sources of the budget of the LG entities, one is own source generation/local taxation and another is grants of the provincial government. Under the LGO 2001 from own source generation, a Council may levy taxes, cesses, fees, rates, rents, tolls, charge, surcharge and levies specified in the Second Schedule of LGO 2001: provided that the Government shall vet the tax proposal prior to the approval by the concerned Council; provided further that the proposal shall be vetted within thirty (30) days from the date of receipt of the proposal, failing which it would be deemed to have been vetted by the Government. No tax shall be levied without previous publication of the tax proposal and after inviting and hearing public objections. A Council may increase, reduce, suspend, abolish or exempt any tax. Each tier of the Local Government has the following schedule of local Taxation, and they can generate their income from the following main own income generation sources:

6.1 Zilla Council income generation [own sources]:

- Education tax
- Health tax
- Any other tax authorised by the Government in consultation with the Finance Department
- Local rate on lands assessable to land revenue
- Fees in respect of educational and health facilities established or maintained by the District Government
- Fee for licences or permits and penalties or fines for violations
- Fees for specific services rendered by a district government
- Collection charges for recovery of tax on behalf of the government, Tehsil Municipal Administration and Union Administrations
- Toll on roads, bridges, ferries maintained by a District Government
- Rent for land, buildings, equipment, machinery, and vehicles owned by the District Government

- Fee for major industrial exhibitions and other public events organised by the District Government
- 6.2 City District Council income generation
- [own sources]:
- Education Tax
- Health Tax
- Any other tax authorised by the Government
- Local rate on lands assessable to land revenue
- Fees in respect of educational and health facilities established or maintained by the City District Government
- Fee for licences or permits and penalties or fines for violations
- Fees for specific services rendered by a District Government
- Toll on roads, bridges, ferries maintained by a City District Government
- Rent for land, buildings, equipment, machinery, and vehicles owned by the City District Government
- Fee for major industrial Exhibitions and other public events organised by the City District Government
- Fee on advertisements
- Collection charges for recovery of any tax on behalf of the Government, Town Municipal Administration, Union Administrations or any statutory authority as prescribed
- Fee for approval of building plans, erection and re-erection of buildings
- Charges for execution and maintenance of works of public utility lighting of public places, drainage, conservancy and water supply operated and maintained by the City District Government

6.3 Tehsil Council income generation [own sources]:

- Local tax on services

- Fee on sale of animals in cattle markets
- Market fees
- Tax on the transfer of immovable property
- Property tax rate as specified in section 117 of this Ordinance
- Fee on advertisement other than on radio and television and billboards
- Fee for fairs, agricultural shows, cattle fairs, industrial exhibitions, tournaments and other public events
- Fee for approval of building plans, erection and re-erection of buildings
- Fee for licenses or permits and penalties or fines for violations
- Charges for development, betterment, improvement and maintenance of works of public utility like lighting of public places, drainage, conservancy and water supply by the Tehsil Municipal Administration
- Fee on cinemas, dramas, theatrical shows and tickets thereof, and other entertainment
- Collection charges for recovery of any tax on behalf of the Government, District Government, Union Administrations or any statutory authority as prescribed
- Rent for land, buildings, equipment, machinery and vehicles
- Fee for specific services rendered by a Tehsil Municipal Administration
- Tax on vehicles other than motor vehicles registered in the Tehsil
- Fee for licenses or permits and penalties or fines for violations
- Collection charges for recovery of any tax on behalf of the Government, City District Government, Union Administrations or any statutory authority as prescribed
- Fee on cinemas, dramatical, theatrical shows and tickets thereof, and other entertainment
- Rent for land, buildings, equipment, machinery and vehicles
- Fee for specific services rendered by a Town Municipal Administration
- Property tax rate as specified in section 117 of this ordinance
- Fee for approval of building plans, erection and re-erection of buildings
- with the approval of the City District Government
- Tax on vehicles other than motor vehicles registered in the Town

6.4 Town Council Income Generation own sources

- Local tax on services
- Fee on sale of animals in cattle markets
- Market Fees
- Tax on transfer of immovable property
- Fee for fairs, agricultural shows, cattle fairs, tournaments, industrial exhibitions, and other public events organised by the Town Municipal Administration

6.4 Union Council income generation [own sources]:

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

7. Best Practices in Local Taxation

The decision of the Chief Minister Punjab for collection of 1% Tax on Transfer of Immoveable Property (TTIP) in the province through Tehsil Municipal Administration (TMA) staff, instead of contractors, has given positive results as Punjab Local Government Department has managed to collect 30% more amount of taxes during first nine (9) months of the current financial year as compared to the same period of the last financial year. The contractors used to collect TTIP earlier but the CM Punjab received a number of complaints regarding the corruption and misappropriation of the contractors. A number of contractors were involved in overcharging and they used to collect tax on market value of the property instead of official value but deposited the amount to the government treasury as per official value and thus were usurping the

remaining amount. In order to rescue the public from the plunder and monopoly of contractors, the government directed TMAs to collect the tax directly with effect from current financial year. The TMAs, due to effective monitoring and sustained efforts, have collected Rs2097.0 million during nine months of the current financial year while contractors had collected Rs1616.9 during same period of the last financial year. In other words, the Local Government Department has collected Rs481 more as compared to the same period of last year and the increase in tax collection is 30%. The government has decided that the collection of tax would be encouraged and government will give appreciation certificates to the TMAs. In KP, this tax is also collected by the TMAs mostly on annual lease basis through private registered contractors.

8. Challenges and Lessons Learned in Local Taxation

Per LGO 2001, the rural urban divide removed and the Municipal Committees and Town Committees established under Local Government Ordinance 1979 were merged in the TMAs and also the whole rural areas falling in the revenue Tehsils were declared as TMAs. The LGO 2001 under section 116 (2nd schedule) empowers TMAs to levy and collect “Fee for approval of building plans, erection and re-erection of buildings” in its jurisdiction. In the past ten (10) years, none of the TMAs in the whole province of Khyber Pakhtunkhwa succeeded to levy and then collect this local tax for its income generation. The Tehsil Council Swat in its first tenure (2001-2005) processed the imposition of this and some other local taxation and imposed it in the whole of Tehsil Swat comprising 52 union council including rural areas. Though special concession in the rate of tax was given to rural areas, as the rate of tax for the rural areas was reasonable less than the rate of urban, but the TMA Swat could not succeed to collect the legal tax from the owners constructing buildings in the rural belt of Tehsil Swat. Only the old area of municipality comprising of nine (9) Union Councils is paying this tax and the rural is not ready to comply with the law. Since

the residents of Municipal Committee Mingora (pre-devolution civic body) were familiar with the culture of payment of local taxation, while in the result of LGO 2001, rural urban divide was removed and the whole area of Tehsil came under one TMA Swat governance, hence these people were reluctant to pay the local taxes as they came in the net of Local Government taxation for the first time. Moreover, Articles 246 & 247 of the Constitution have also given special status to PATA (Swat), due to which most of the regular federal and some provincial taxes are not yet extended to these areas. Even once in the wave of this Islamic uprising in the past, the taxpayers of Tehsil Matta, Swat refused to pay the tax on the transfer of immoveable property tax related to LG and Provincial Government. Though LGO 2001, with the exception of Urban Immoveable Property Tax, has totally been extended to Swat (PATA). Despite the fact that strong regulatory chapter is also available in the LGO 2001 to ensure the recovery of local taxation, keeping in view the sensitivity and strategic position of the area the government is avoiding forceful implementation of the law.

9. Size of Governing Body and Demarcation of Boundaries of The Local Government

In the history of Pakistan for the first time the third tier of government i.e. District Government was established in the result of LG elections of 2001. The Provincial Government under the law had devolved the administrative, financial and political powers and functions at district level to the following entities of Local Governments.

9.1 Composition of District Government/Zila Council Secretariat

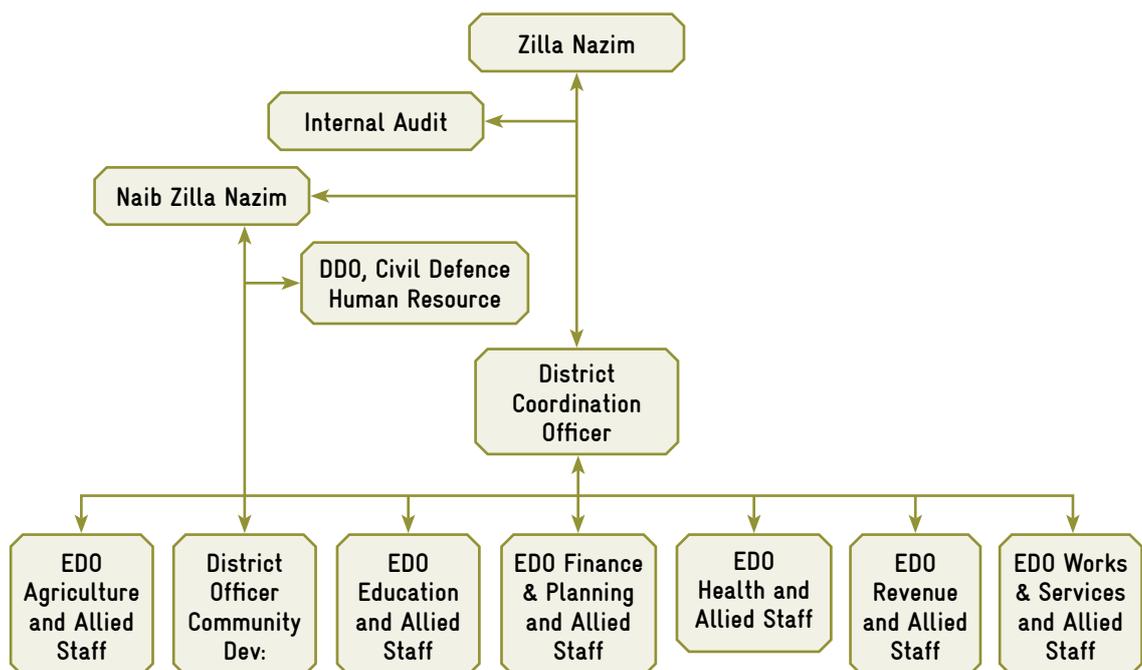
Under the devolution plan, the following thirty different departments related to social services have been put in 11 groups headed by the elected Zila Nazim who will provide vision for the district-wide development, leadership and direction for efficient functioning of the District Government; Develop with the assistance of the District Administration strategies and timeframe for accomplishment of the relevant goals approved by the Zila Council; Ensure implementation of the functions decentralized to the District Government; Oversee formulation and execution of the annual development plan, delivery of services and functioning of the District Government; Present proposal to the Zila Council for approval of budget for District Government, Zila Council and intra-district fiscal transfers; Maintain administrative and financial discipline in the District Government; Present tax proposals to the Zila Council; Present report on the performance of the District Government in person to the Zila Council at least twice a year; Preside over the meetings of the Zila Mushawarat Committee; Take charge, organise and prepare for relief activities in disasters or natural calamities; Authorise officers of the District Government to sign documents on its behalf; Initiate inspections of Tehsil Municipal Administration, Town Municipal Administration and Union Administration in the district. Establish and supervise the working of the Internal Audit Office; Issue executive orders to the District Coordination Officer and Executive District Officers for discharge of the functions decentralized to the District Government; Represents District Government on public and ceremonial occasions; and perform any other function as may be assigned to him by the Government.

The District Coordination Officer is overall coordinator for 11 devolved groups of the service delivery, who is also Principal Accounting Officer for all these District Government departments pooled in 11 groups and is responsible and empower to ensure that the business of the District Coordination Group of Offices is carried out in accordance with the laws for the time being in force; Co-ordinate the activities of the groups of offices for coherent planning, synergistic development, effective and efficient functioning of the District Administration; Exercise general supervision over programmes, projects, services, and activities of the District Administration; Coordinate flow of information required by the Zila Council for performance of its functions under this Ordinance; Act as Principal Accounting Officer of the District Government and be responsible to the Public Accounts Committee of the Provincial Assembly; Call for information and reports from local governments in the district as required by the Provincial Government or District Government through the Tehsil Municipal Officer; Assist the Zila Nazim in accomplishment of administrative and financial discipline and efficiency in the discharge of the functions assigned to District Administration; Prepare a report on the implementation of development plans of the District Government for presentation to the Zila Council in its annual budget session; and initiate the performance evaluation reports of the Executive District Officers and shall be countersigning officer of such reports of the District Officers initiated by the Executive District Officers. However where in the opinion of a District Coordination Officer, an order of the Zila Nazim is motivated or unlawful, he may seek recourse in writing to the Local Government Commission with a copy thereof to the Zila Nazim, and the decision of the Commission in the matter shall be final and binding. Civil Defence is directly looked after by the DCO, having District Officer in the district with small component of staff with community volunteers. Per LGO 2001, the service delivery related 30 departments have been put in the following 11 groups:

- i. **District Coordination:** Coordination, Human Resource Management and Civil Defence
- ii. **Agriculture:** Agriculture (Extension), Livestock, Farm Water Management, Soil Conservation, Soil Fertility, Fisheries and Farm forestry
- iii. **Community Development:** Community Organization, Labour, Social Welfare, Sports and Culture, Cooperatives and Registration Office
- iv. **Education:** Boys Schools, Girls Schools, Technical Education, Sports (Education) and Special Education
- v. **Finance and Planning:** Finance & Budget, Planning and Development, Accounts, Enterprise and Investment Promotion
- vi. **Health:** Public Health, Basic & Rural Health, Child and Woman Health, Population Welfare, District and Tehsil (Hqrs.) Hospitals
- vii. **Information Technology:** Information Technology Development, Information Technology Promotion and Database
- viii. **Legal:** Legal aid, drafting of Bye-laws, and environment
- ix. **Literacy:** Literacy Campaigns, Continuing Education, and Vocational Education
- x. **Revenue:** Land Revenue and Estate and Excise and Taxation
- xi. **Works and Services:** Spatial Planning and Development, District Roads and Buildings, Energy and Transport

All these departments have their networking at provincial level as well. Though the organizational structure of the district governments is the same but the size and number of each district varies from each other. Besides the aforementioned District Government structure the Zila Council has its Secretariat and essential ministerial staff like, Secretary (PUGF Officer of Pay scale 17) with Steno, accountant, Driver, and office boy, to run the affairs of the Zila council, under the supervision of the NaibZilaNazim and have a separate budget allocation with its Secretary (PUGF) as Drawing and Disbursing Officer and NaibZilaNazim as the Principal Accounting Officer.

District Government Organisational Chart



9.2 Tehsil/Town Municipal Administration

In every Tehsil and Town there is a Tehsil/Town Municipal Administration which is a body corporate and headed by elected Tehsil Nazim. The Tehsil Municipal Officer is acting as co-ordinating, Principal Accounting officer and administrative officer in-charge of the following Tehsil Officers and their allied staff responsible for routine work of the municipal services:

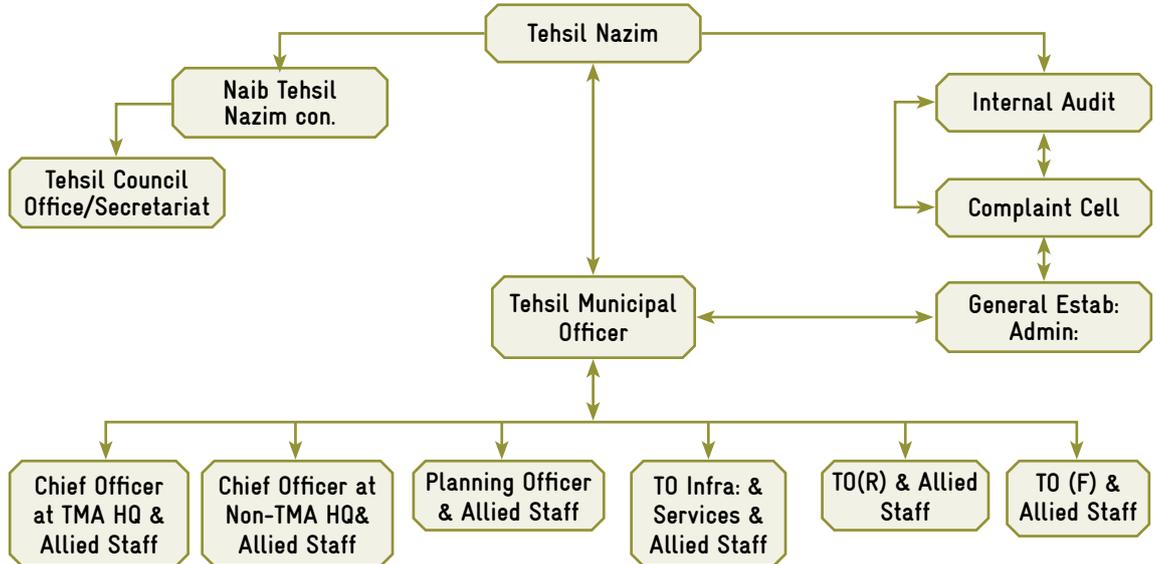
- i. Tehsil Officer (Municipal Regulations) who shall be responsible for licensing, management of municipal lands, estates, properties, facilities and enterprises and enforcement of relevant municipal laws, rules and bye-laws
- ii. Tehsil Officer (Infrastructure and Services) who shall be responsible for water, sewerage, drainage, sanitation, roads, other

than Provincial and district roads, streets and street lighting, fire fighting, park services

- iii. Tehsil Officer (Planning) who shall be responsible for spatial planning and land use control, building control and coordination of development plans and projects with Union Administration, Village Councils and other local governments
- iv. Tehsil Officer (Finance) who shall be responsible for budget, revenue and accounts

On the pattern of district government each TMA staff pay grades, number and size is totally different from each other. Some TMAs have more than 600 staff while some TMAs have less than 10 employees, depending on its geographical and financial potential status.

Tehsil Municipal Administration Organisation



9.3 Union Administration

There is Union Administration for every Union which shall be a body corporate and consist of Union Nazim, Naib Union Nazim and not more than three Union Secretaries and, where required, the members of ancillary staff. Per LGO 2001 Union Council has a lot of functions and responsibility, some of these are: To

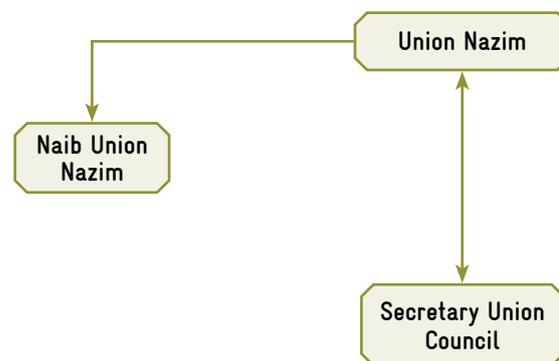
collect and maintain statistical information for socioeconomic surveys; To consolidate village and neighbourhood development Needs and prioritize them into union-wide development proposals with the approval of the Union Council and make recommendations thereof to the District Government or Tehsil Municipal Administration, as the case may be; to identify

deficiencies in the delivery of services and make recommendations for improvement thereof to the Tehsil Municipal Administration; to register births, deaths and marriages and issue certificates thereof; to make proposals to the Union Council for levy of rates and fees specified in the Second Schedule of LGO and to collect such rates and fees within the Union; to establish and maintain libraries; to organize inter-Village or Neighbourhood sports tournaments, fairs, shows and other cultural and recreational activities; to disseminate information on matters of public interest; to improve and maintain public open spaces, public gardens and playgrounds; to provide and maintain public sources of drinking water, including wells, water pumps, tanks, ponds and other works for the supply of water; to maintain the lighting of streets, public ways and public places through mutual agreement with the Tehsil Municipal Administration; to arrange facilities for the handicapped, destitute and poor; to provide protection against stray animals and animal trespass, and to establish cattle pounds; to regulate grazing areas; to assist the relevant authorities in disasters and natural calamities, and assist in relief activities, including de-silting of canals; to co-operate with the public, private or voluntary organizations, engaged in activities similar to those of the Union; to execute the projects of

the approved Union Annual Development Plan by contracting out to the private sector in the manner as may be prescribed and to obtain support of the Tehsil Municipal Administration or District Government for such execution; and to assist the Village Councils or, as the case may be, Neighbourhood Councils in the Union to execute development projects.

In the province of KP there is only one Secretary and one class-iv employee in each UC. Secretary UC performing duty on the pattern of TMO, but having no other support staff. Hence he is looking after administration, finance, community development etc, while the class-iv employee is providing logistic or labour support to him. The Union Nazim is head of the Union Administration. The Union Secretary is coordinating and facilitating in community development, functioning of the Union Committees, delivery of municipal services and is also principal accounting officer for union fund, but under the law he is not in the net of Local Council Board nor he is considered PUGF or Non PUGF local council employee, but he is treated as provincial government regular employee, as he is getting his salary and other emoluments from provincial exchequer and not from local fund.

Organisational Chart of Union Administration



10. Local Council Service Cadre and Strength

As mentioned in the above lines, presently there are three entities of the LG in Khyber Pakhtunkhwa; the higher is District, then Tehsil/town and in the end is Union administration. In district, the Zilla Council Secretariat is small component comprising (PUGF and non-PUGF) employees of the Local Council Service posted there. The 2nd tier, ie TMA employees, are in large numbers and all these are from the PUGF and non-PUGF. The Provincial Government in 1988 established Local Council Board, which is responsible for all service related

matters like hiring, firing of the PUGF and non-PUGF employees of the Local Council. The Local Councils in KP are manned by operational staff from four main streams of the Local Council Service including Administration, Regulation Finance and Infrastructure Services. These groups are made up of the PUGF and “Servants of Local Councils”. At the moment, the service has a total strength of 11,886 persons with following breakup in various segments:

Table 2: Administration Cadre (PUGF)

S#	Name of Cadre	Basic Pay Scale	Number of Posts
1	Administration	19	03
2	do	18	20
3	do	17	73
4	do	16	59
5	do	11	71
		Total	226

Table 3: Engineering Cadre (PUGF)

S#	Name of Cadre	BPS	Number of posts
1	Engineers	18	18
2		17	85
3		16	47
4	Sub-Engineers	11	121
		Total	271

Table 4: Accounts Cadre (PUGF)

S#	Name of Cadre	BPS	Number of posts
1	Accounts	18	13
2		17	05
3		16	35
4	Sub-Engineers	11	56
		Total	109

i. Administration Cadre (PUGF)	:	226
ii. Engineers Cadre (PUGF)	:	271
iii. Accounts Cadre (PUGF)	:	109
Total number of PUGF staff	:	606
Total number of Non-PUGF-staff	:	11886

The following is basic information regarding both PUGF staff:

Table 5: Provincial Unified Group of Functionaries (PUGF)

S#	Cadre	Basic Pay Scale	Required Qualification	Position assigned in TMA or Zilla Council Secretariat
1	Administration	11	Graduate	ATOR in TMAs
2	Administration	17	Post graduate	TMO, TOR, SLTR, CO in TMAs and Secretary Zilla Council
3	Engineering	11	Diploma in Associate Engineering	Sub-Engineer in TMAs
4	Engineering	17	Graduating in Engineering	TOI, ATOI in TMAs
5	Finance	11	Graduate	Accountant in TMAs
6	Finance	17	Post graduate	TOF in TMAs

11. Tehsil/Subdivision

Under section 7 of the Local Government Ordinance 2001, the Provincial Government in the Local Government & Rural Development Department has the powers to further notify those Tehsils and districts which have been declared Tehsils and districts notified under the North-West Frontier Province Land Revenue Act, 1967. This is the law promulgated since 1967, dealing with the affairs of all kind of lands measurement, land record keeping and its regulation, etc. Under this law, the Provincial Government has the power to create new Tehsil/subdivision or district or bifurcate the existing one.

Subdivision is administrative set up of the government normally used prior to devolution.

However, when in 2009 the Sharia Nizam-e-Adal Regulation (special law) in Malakand Division of PATA was promulgated, there again the name of Subdivision was used for Tehsil. It is pertinent to mention that section 9 of the LGO 2001 says that (1) The Government may, by notification in the official Gazette, declare a whole number of contiguous Unions to be a town in the City District or in a single Tehsil District under this Ordinance. (2) On notification referred to in sub-section (1), the Government may, by notification in the Official Gazette, declare every town referred to in that subsection to be a Tehsil or subdivision for the purpose of this LGO 2001. Accordingly, Peshawar is single revenue Tehsil but for the purpose of LG, this comprises four Town Councils.

Table 6: List of Tehsils/Subdivisions in Khyber Pakhtunkhwa

S#	District	Subdivision/Tehsil/ Town Municipal Administration
1	Abbottabad	1. Abbottabad
		2. Havelian
2	Bannu	3. Bannu-I
		4. Bannu-II
3	Battagram	5. Battagram
		6. Alai
4	Buner	7. Daggar
		8. Swari/Gagra
		9. Mandanr
		10. Khudokhel
5	Charsadda	11. Charsadda
		12. Tangi
		13. Shabqadar
6	Chitral	14. Chitral
		15. Mastuj
7	Dir Lower	16. Timergara
		17. Samarbagh
		18. Lal Qilla
		19. Adenzai

8	Dir Upper	20. Dir
		21. Warai
		22. Sheringal
9	DI Khan	23. DI Khan
		24. Paharpur
		25. Kulachi
		26. Daraban
		27. Parwa
10	Tank	28. Tank-II
11	Haripur	29. Haripur
		30. Ghazi
12	Hangu	31. Hangu
		32. Thall
13	Karak	33. Karak
		34. Banda Daud Shah
		35. Takht-e-Nusrati
14	Kohat	36. Kohat
15	Kohistan	37. Dasso
		38. Pattan
		39. Palas
16	Lakki Marwat	40. Lakki Marwat
		41. Serai Naurang
17	Malakand	42. Batkhela
		43. Dargai
18	Mansehra	44. Mansehra
		45. Balakot
		46. Oghi
19	Mardan	47. Mardan
		48. Takht-i-Bhai
20	Nowshera	49. Nowshera
21	Peshawar	50. Town-I
		51. Town-II
		52. Town-III
		53. Town-IV

22	Swabi	54. Swabi
		55. Razar
		56. Chota Lahor
23	Swat	57. Swat
		58. Matta
		59. Bahrain
		60. Khwazakhela
		61. Charbagh
		62. Kabal
24	Tor Ghar	63. Barikot
		Two TMAs have been proposed, but have not yet been notified
25	Shangla	64. Alpuri
		65. Puran

11.1 Creation of ten (10) new TMAs in Malakand Division (PATA)

Articles 246 and 247 of the 1973 Constitution of the Islamic Republic of Pakistan have given special status and some concessions to its Provincially Administered Tribal Areas located in Khyber Pakhtunkhwa and Balochistan and Federally Administered Tribal Areas bordering Afghanistan. These Articles say: "Tribal Areas" means the areas in Pakistan which, immediately before the commencing day, were Tribal Areas, and includes the Tribal Areas of Balochistan and the Khyber Pakhtunkhwa Province, the former States of Amb, Chitral, Dir (Lower and Upper) and Swat (Buner and Shangla). The "Provincially Administered Tribal Areas" means the districts of Chitral, Dir and Swat (Lower and Upper) and Swat (Buner and Shangla which includes Kalam), the Tribal Area in Kohistan district, Malakand Protected Area, the Tribal Area adjoining Mansehra district and the former State of Amb; Zhob district, Loralai district (excluding Duki Tehsil), Dalbandis Tehsil of Chaghi District and Marri and Bugti tribal territories of Sibi district; and Federally Administered Tribal Areas includes Tribal Areas adjoining Peshawar district; Tribal Areas adjoining Kohat district; Tribal Areas adjoining Bannu district; Tribal Areas adjoining Lakki Marwat

District; Tribal Areas adjoining Dera Ismail Khan district; Tribal Areas adjoining Tank district; Bajaur Agency; Orakzai Agency; Mohmand Agency; Khyber Agency; Kurram Agency; North Waziristan Agency, and South Waziristan Agency.

Article 247 of the Constitution says that subject to the Constitution, the executive authority of the Federation shall extend to the Federally Administered Tribal Areas, and the executive authority of a Province shall extend to the Provincially Administered Tribal Areas therein. The President may, from time to time, give such directions to the Governor of a Province relating to the whole or any part of a Tribal Area within the Province as he/she may deem necessary, and the Governor shall, in the exercise of his functions under this Article, comply with such directions. No Act of Majlis-e-Shoora (Parliament)] shall apply to any Federally Administered Tribal Area or to any part thereof, unless the President so directs, and no Act of Majlis-e-Shoora (Parliament)] or a Provincial Assembly shall apply to a Provincially Administered Tribal Area, or to any part thereof, unless the Governor of the Province in which the Tribal Area is situate, with the approval of the President, so directs; and in giving such a direction with respect to

any law, the President or, as the case may be, the Governor, may direct that the law shall, in its application to a Tribal Area, or to a specified part thereof, has effect subject to such exceptions and modifications as may be specified in the direction. Notwithstanding anything contained in the Constitution, the President may, with respect to any matter within the legislative competence of Majlis-e-Shoora (Parliament)], and the Governor of a Province, with the prior approval of the President, may, with respect to any matter within the legislative competence of the Provincial Assembly make regulations for the peace and good governance of a Provincially Administered Tribal Area or any part thereof, situated in the Province. Notwithstanding anything contained in the Constitution, the President may, with respect to any matter, make regulations for the peace and good governance of a Federally Administered Tribal Area or any part thereof. The President may, at any time, by Order, direct that the whole or any part of a Tribal Area shall cease to be Tribal Area, and such Order may contain such incidental and consequential provisions as appear to the President to be necessary and proper: Provided that before making any Order under this clause, the President shall ascertain, in such manner as he considers appropriate, the views of the people of the Tribal Area concerned, as represented in tribal Jirga. Neither the Supreme Court nor a High Court shall exercise any jurisdiction, provided that nothing in this clause shall affect the jurisdiction which the Supreme Court or High Court exercised under the Constitution in relation to a Tribal Area, unless Majlis-e-Shoora (Parliament) by law otherwise provides: court or a High Court exercised in relation to a Tribal Area immediately before the commencing day.

No difference in Tehsil and subdivision exists. However in some laws the wording of subdivision has been used for Tehsil. For example, in the Land Revenue Act 1967 and LGO 2001, Tehsil has been used for this entity, while in the Sharia Nizam-e-Adal Regulation of 2009, subdivision has been used for the same area.

As militants gained ground in Malakand over the course of the past decade, they exploited the lack of effective delivery of key services by reinforcing the perception that in some places, the old system (princely states) was better. A result of Post-Crisis Needs Assessment (PCNA) and Malakand Strategy, it was recommended to provide door step service delivery to the dwellers and minimise the sufferings due to militancy and operation in the affected areas. Hence, the Provincial Government created 10 new subdivisions/ Tehsils/TMAs in Malakand Division. Also to kill the perception of the people regarding the pre-merger era of the princely states, and to bring the administrative machinery closer to the people, power was devolved and additional subdivisions/Tehsils were created. In order to make the delivery of services effective, a feedback mechanism to bring men and women's voices back up to higher levels of the government, where decisions about allocations and types of assistance are made, must be incorporated. Priority activities include:

- Improve delivery of key services through effective devolution of power and the creation of additional subdivisions
- Incorporate feedback mechanism to ensure that local grievances are heard and addressed by the Provincial Government
- Encourage deliberative processes with the population about selection and implementation of projects, taking into account special needs groups (women, youth, orphans, returnees) and culture. Establish clear expectations about the ultimate decision-making process
- Support fora for public discussion on governance issues at district and subdistrict levels, using a range of techniques such as participatory media dialogues
- Provide support to the new administrative structure in the region and introduce key reforms throughout the service delivery mechanisms
- Institute regular and widely known system

- of public reporting on the devolution process, particularly in districts being subdivided
- Provide local service delivery training and support for new officials
 - Ensure awareness of all local civil servants of the higher order goal and objectives for the stabilisation of Malakand in order to maintain focus during implementation of the Malakand Comprehensive Stabilisation and Socioeconomic Development Strategy, And;
 - Ensure transparent implementation for setting up support structures for the new Tehsils, including security requirements, costs and staffing
- In pursuance to the creation of new Revenue Tehsil in Malakand Division under section 5 & 6 of the Land Revenue Act 1967 vide Government of KP, Revenue Department Notification No Rev: VI.U.G/Malakand dated 21.07.2009 and in order to provide essential municipal services to the inhabitants of the new Revenue Tehsils, the Provincial Government in Local Government & Rural Development Department in exercise of powers under section 9 & 11 of the NWFP Local Government Ordinance 2001, has created the following new Tehsil Municipal Administration in the best public interest with the Terms & Conditions mentioned below:

Table 7: District-Wise Newly Created TMAs in Swat, Buner, Dir (L) and Dir (U)

S#	District	Name of TMA	Jurisdiction
1	Swat	Barikot	Revenue Tehsil of Barikot
2		Kabal	Revenue Tehsil of Kabal
3		Charbagh	Revenue Tehsil of Charbagh
4		KhawazaKhela	Revenue Tehsil of KhawazaKhela
5		Behrain	Revenue Tehsil of Behrain
6	Buner	Totalai	Revenue Tehsil of Totalai
7		Mandanr	Revenue Tehsil of Mandanr
8	Dir (L)	Adenzai	Revenue Tehsil of Adenzai
9		Lal Qilla	Revenue Tehsil of Lal Qilla
10	Dir (U)	Sheringal	Revenue Tehsil Sheringal

11.2 Terms and Conditions laid down for the new TMAs of Malakand

- The jurisdiction of the new TMAs shall extend to the whole of Revenue Tehsil
- The currently valid contracts and own source revenue of the existing TMAs, including receipts from the Provincial Government/District Governments under different heads of account shall continue as per existing policy till further orders
- The new TMAs shall have separate schedule of establishment duly approved from the Provincial Government and shall be a valid charge on the existing TMAs till bifurcation of their assets and liabilities
- As far as possible, the new TMAs shall be staffed from the available establishment of the existing TMAs under the principle of locational convenience, requisite

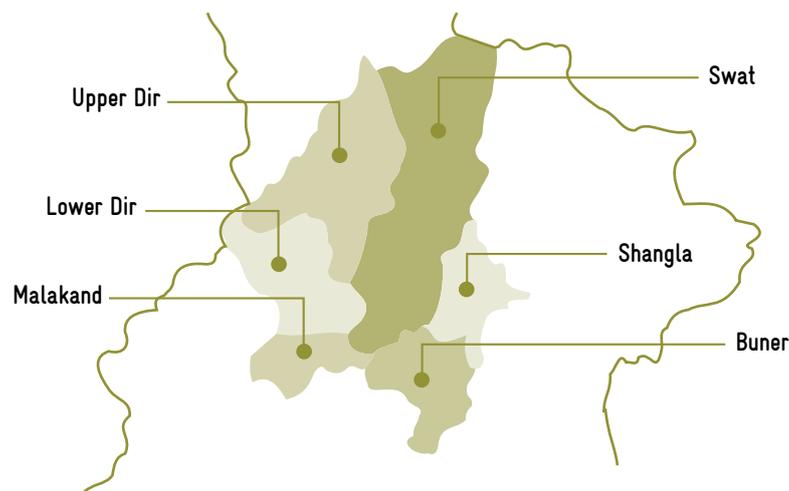
expertise and cost effectiveness

- Ongoing development projects being executed and supervised by the existing TMAs shall be completed under the existing arrangement. However, projects with corresponding funds can be transferred to new TMAs through mutual agreement in the best public interest without compromising on the quality of works
- In case no suitable government office building is available for the new TMAs at the Tehsil Headquarters, the same shall

be housed in suitable rented buildings at the most convenient and accessible points as near as possible to the Tehsil Revenue Administration

- New Tehsil Councils for the new TMA's shall take effect from the next Local Government elections as required under section 11 (2) of LGO 2001
- Any issue arising as a result of the new arrangement shall be referred to the Local Council Board, LG&RDD, KP for resolution

Figure 1: Ten (10) TMAs Created in Swat, Dir (U), Dir (L) and Buner Districts



After the creation of 10 new TMAs in four districts of the Malakand Division, the total number of TMAs raised from 8 to 18.

Table 8: TMA level LG Profile in the Seven (7) Districts of The Malakand Division

S#	District	Total TMAs	Number of old TMAs	Number of new TMAs	Total
1	Swat	i. Swat ii. Matta iii. Behrain iv. Khawazakhela v. Charbagh vi. Kabal vii. Barikot	2	5	7

2.	Buner	i. Daggar ii. Swarai iii. Mandanr iv. Khudokhel	2	2	4
3.	Dir Upper	i. Dir ii. Warai iii. Sheringal	2	1	3
4.	Dir Lower	i. Timergara ii. Samarbagh iii. Lal Qilla iv. Adenzai	2	2	4
5	Chitral	i. Chitral ii. Boni	2	0	2
6	Shangla	i. Alpuri ii. Puran	2	0	2
7	Malakand	i. Swat Ranazai (Batkheela) ii. Sam Ranazai (Dargai)	2	0	2

11.3 Current developments at different tiers of the Local Government

The newly created ten (10) subdivisions/ Tehsils have started proper functions in their respective area of jurisdiction. The Provincial Government has posted sub-divisional magistrates, the police department has placed Deputy Superintends of Police in these newly created Tehsils, and similarly other service delivery line departments have started operation.

As mentioned above, the Local Government Department has notified ten (10) TMAs for these new subdivisions/ Tehsils, these have started work in rented buildings, the headquarters of old TMAs have provided seed money of Rs 500000 to each TMA, the UNICEF has provided essential furniture and sanitation equipment and have also carried out some sanitation related works in the jurisdiction of these TMAs. The USAID has commitment to construct 10 Tehsil Complexes, where all the line departments responsible for service delivery at Tehsil level would be pooled, so that the dwellers get one-window operation. Initially the USAID funding is available in Daggar at Buner and Kabal at Swat, where the government land is available for the construction

of Tehsil structure. The Chief Minister Khyber Pakhtunkhwa has also approved Rs 10000000/ (one Crores) as special grant for each of these new TMAs.

The Finance Department at provincial level has released Rs.1 million each to the newly created TMAs, out of its Octroi share, while under the PFC award a proportionate share of development fund has also been allocated in the current year budget for all these 10 new TMAs.

The LG department has posted experienced TMO Mr Fazl-e-Rabi in TMA Barikot and notified him as focal Person for all these new TMAs. The Provincial Government has sanctioned Rs.3.186 million for the purchase of land and construction of slaughterhouse in Barikot town, whereas the GIZ (DETA) has received four PC-Is for the schemes identified for construction/rehabilitation at Barikot.

The Kabal TMA has also shown brilliant performance since its very inception. The GIZ Administrative Reform Component of the Governance Programme has started interaction with these TMAs. These newly established TMAs are pressing hard for the distribution of assets which they will get in succession from the old TMAs, but this

process has not yet taken place; however, the headquarters of TMAs have placed essential available staff in these TMAs and these old TMAs are bearing the expenses of staff salary and other emoluments posted in the new TMAs.

Since no full time TMOs or other essential staffs have been posted, the government

should post dedicated full time staff, after which their capacity building is need of the hour. Some PUGF and non-PUGF staff would be transferred by the LCB from the existing lot or some non-PUGF staff would be hired by the respective TMOs, once these positions are approved by the LCB/LG&RD Department.

12. District Development Advisory Committees (DDACs)

Per the DDAC which has legal cover under DDAC Act 1989; this forum ran until 1999 and was disbanded after promulgation of military rule in 1999 and with the introduction of LGO 2001, it lost its existence. The sitting Provincial Assembly of KP has revived the 1989 Act in the end of 2010 with slight amendment in it. Under the DDAC Act, DDACs were established in all the 25 districts with immediate effect, this Committee to be shown as the District Development Advisory Committee in each District consisting of all the Members of the Provincial Assembly from the District concerned; other elected representatives (in future the government may also take some other elected people, like MNA, Senator or LG head) as the Government may specify to be taken on the Committee as co-opted members; and such Heads of Attached Departments at the District level as may be co-opted by the Committee for their expert opinion.

A co-opted member shall have no right of vote to exercise in any deliberation of the Committee. The Chief Minister shall appoint one of the members to be the Chairman of the Committee who shall hold the office during the pleasure of the Chief Minister. The Committee shall take all decisions by consensus of opinion, but where such consensus is not achieved, the matter shall be decided by majority of votes:

- Provided that in case of equality of votes, the Chairman shall have a second or casting vote
- Provided further that where a quota has been allocated to a Member in the development schemes of the Province or the schemes approved are to be divided quota-wise, then there shall be no need for obtaining consensus of opinion regarding the allocation of project or selection of sites, as the case may be, and it shall be the sole discretion of the member concerned to select sites or allocate projects, as the case may be, within his own quota

12.1 Functions of the District Development Advisory Committees (DDACs)

Per the DDAC Act, the Committee can formulate and recommend:

Proposals for Annual Development Programme (ADP) of the District and communicate it to the Planning and Development Department; the list of schemes to be implemented under the Rural Development Programme, other than those of the Union Council (there are some urban development programmes also established by the government, like Peshawar Development Authority, Mardan Development Authority, Kohat Development Authority or National Urban Development Programme, these are not in the ambit of the committee). This list may also include those schemes to be funded from such Federal Grants for the purpose as may be provided; location and selection of site, subject to such planning criteria, as may be prescribed by Government for Development Scheme in the sectors/sub-sectors; Primary, Middle and High Schools; rural health (establishment of basic health unit and rural health centres); Public Health Engineering (rural drinking water supply and sanitation schemes); locations or sites for such other development projects in other sectors as may be included in local programme of ADP including electrification of Villages; the allotment of Ration Depots in the respective Districts.

The committee is responsible for conducting periodical reviews of the District Development Programmes approved by it in order to monitor its progress and ensure its timely implementation.

It is pertinent to mention that the Provincial Government has entrusted the office buildings, vehicles and staff of the dissolved Zilla Councils for the use of DDAC Chairmen, which they have occupied accordingly. The Assistant Coordination Officer (ACO) has been assigned the dual charge of the Secretary of the Committee in addition to his own duty.

13. Divisional Commissioners

Prior to devolution, seven Commissioner Offices existed in the divisional headquarters for Malakand at Saidu Sharif, Swat looking after Swat, Chitral, Malakand, Dir Upper, Dir Lower, Buner and Shangla. The Mardan commissioner was responsible for Mardan and Swabi, the Peshawar was looking after Peshawar, Charsadda and Nowshera. The Hazara division comprised of Haripur, Abbottabad, Mansehra (including Tor Ghar), Battagram and Kohistan. Similarly, Kohat comprises of Karak, Kohat and Hangu. The Bannu comprised of Bannu and Lakki Marwat, while Dera Ismail Khan's commissioner was looking after Tank and Dera Ismail Khan. These Commissioners were exercising all administrative and revenue powers and some judicial powers were also lying with them. In the result of devolution plan

introduced in the year 2001, all the divisional tiers offices (except police level entity) were abolished. However, the present government again revived the offices of the Divisional Commissioners under the Land Revenue Act of 1967. Though they have Additional Commissioners, Assistant Commissioners Legal, Political and Development with sufficient other essential supporting staff and they have also some administrative role in FATA, the LCA-KP has challenged their revival in the Peshawar High Court. The Provincial Government has delegated some administrative powers to them, and some are in the pipelines. The PDMA/PaRRSA has also introduced some projects approval forums, in which one forum is also headed by the Commissioner.

14. District Disaster Management Units (DDMUs)

Pakistan is in serious grip of vicious type of natural and man-made disasters. A series of natural and manmade disasters occurred during this half decade (2005-2010); killing thousands of people and the national economy sustained trillion of dollars worth of losses. The geological disaster, the earthquake of 2005, killed 75,000 people including 20,000 schoolchildren and wounded over 100,000 people. The ecological and economical loss sustained by the country was over US \$ 6 billion by this single event.

The country is facing internal and external terrorism threats after the World Trade Centre was attacked. The US terrorism policy paradigm shift towards Pakistan is posing serious threats to the people and socio-economic and political stability of the country. Over 100,000 soldiers were kept engaged in the terrorists' prone region of the country for about a decade. Thousands of civilians have been killed and the country also lost precious human capital of different institutions. The country is also faced with serious threats of external terrorism which is causing instability to the country. An average 20-30 people lose their lives with each passing day due to bomb blasting, suicide attacks, target killing, drone attacks, sectarian clashes, and political reasons. The cost of terrorism is enormous. Direct cost of terrorists fighting is between \$ 4-5 billion to national exchequer.

The promulgation of National Disaster Management Ordinance 2006 and now the National Disaster Management Act of 2010 has provided a legal base for establishment of National, Provincial Disaster Management Authorities, and District Disaster Management Units for proactive practices of disaster risk management from policymaker to end user level. Under the umbrella of National Disaster Management Act 2010, the Provincial Government of KP has notified DDMUs for all the 25 districts. The disaster management officers posted in these DDMUs, being heads of these units, will report to the respective District Coordination Officers for all the operational and humanitarian affairs, while their only linkage with the PDMA would be for the purpose of trainings and human resource management.

14.1 Composition of The District Disaster Management Units (DDMU)

The District Disaster Management Unit (DDMU) will be headed by the Nazim as chairperson, ex-officio, other members are the District Coordination Officer, the District Police Officer, ex-officio; the Executive District Officer Health; and such other district level officers, to be appointed by the District Government. Key powers and functions of the DDMU are to prepare a Disaster Management Plan including District Response Plan; to coordinate and monitor the implementation of the National Policy, Provincial Policy, National Plan, Provincial Plan and District Plan; to ensure that the areas in the District vulnerable to disasters are identified and measures for the prevention of disasters and the mitigation of its effects are undertaken by the departments; to ensure that the Guidelines for prevention, mitigation, preparedness and response measures as laid down by the NDMA and the PDMA are followed by all Departments; to give directions to authorities at the District level to take all such measures for the prevention or mitigation of disasters as may be necessary; to lay down Guidelines for preparation of Disaster Management Plans by the Departments and local authorities in the District; to set up, maintain, review and upgrade the mechanism for early warnings and dissemination of proper information to public; to prepare, review and update District level Response Plan and Guidelines.

Other functions include: to coordinate with local authorities, and give them guidelines to ensure that pre-disaster and post-disaster management activities in the District are carried out promptly and effectively. In KP, the Provincial Government has assigned the dual charge of District Disaster Management Officer to the sitting Secretary Public Safety Commission. This forum is working under Police Order 2002, as this district level forum has been established after the implementation of devolution plan and promulgation of

Police Ordinance 2002, and is responsible to hear the concerns of the complainants against the police excesses and to provide relief and remedy to the affectees.

Since the DDMUs, offices are totally new, the Provincial Government has not yet provided funds, personnel and equipment for the proper operation of these DDMUs. Recently the Provincial Disaster Management Authority (PDMA) of Khyber Pakhtunkhwa has entered into an agreement with the UNDP for expanding its operations to local level through DDMUs, under which the UN development agency would provide financial assistance for setting up of DDMUs and training of the District Disaster Management Officers.

In the first phase, this agreement will focus on setting up and make operational DDMUs in ten (10) most vulnerable districts of Khyber Pakhtunkhwa and in the second phase the process would be replicated in other districts. The districts selected for the interventions included Kohistan, Swat, Upper Dir, Lower Dir, Charsadda, Peshawar, Nowshera, Dera Ismail Khan, Mardan and Battagram. According to the agreement, Rs 25 million will be provided by the UNDP for procurement of equipment and vehicles for the proposed DDMUs as well as the training of the staffers in disaster management.

To achieve the above priority area, the German Technical Cooperation (GTZ) and Government of KP entered into an understanding, under which GTZ provided technical support to the government for the establishment, functioning and operationalisation of PDMA and DDMUs and also to enhance/-strengthen preparedness and response capacity of the public institutions and regularise the capacity building and planning process for comprehensive and integrated disaster risk management.

Under the Project, the GTZ piloted this in one District of Mansehra and would be replicated in other districts of the Province by the GIZ Governance Programme. Taking the leading role, District Government Mansehra formally established a DDMU. Terms of reference (ToRs) and detail of Standard Operating Procedures (SoPs) for preparedness, mitigation and response by all major stakeholders were developed to make DDMU fully functional and operational in Mansehra. With the establishment of DDMU, the three major areas of the disaster risk management framework, ie policies, institutional frameworks, and legal arrangements have been made. Now the Governance Programme of GIZ with the consultation of the PDMA will upgrade that DRM model of Mansehra in light of the new law, rules, procedures and practices related to disaster for replication in other districts of Khyber Pakhtunkhwa.

15. Development Projects and Their Impact

The donor community in Pakistan has welcomed the change that occurred in 2001, in the governance structures with the responsibility of service delivery shifting to the grass root level through formation of elected district governments, Tehsil/town administrations and union administrations. The ADB, UNDP, DFID (UK), CIDA and World Bank and others have expressed their firm commitment and dedications in institutionalising the changes brought together by these reforms and have backed these with different programmes and initiatives. These national and provincial programmes and projects have performed activities related to the thematic areas of Policy Support and Systems Development, Communication & Advocacy, Financial Management, Fiscal Decentralisation, Justice, Law and Order, Community mobilisation,

Capacity Building, Gender mainstreaming and Service delivery improvement.

In KP, more than \$213 million have been committed through six initiatives. Principal donors are UNDP, World Bank, SDC, ADB and CIDA. The EIROP had been a major devolution reforms supportive initiative funded by UNDP and SDC. The two Structural Adjustment Credits SAC & SAC-II of World Bank have provided major investment in the form of budgetary support in this province. CIDA's initiative "CESSD" executing by the Cowater is an important initiative. The KP Urban Sector Development Project was a major initiative to support improvement of urban infrastructure in the post-devolution institutional environment.

16. Challenges Faced to Development Partners in Local Governance

Most of the programmes do indicate a strong commitment of donors to the concept of devolution and hence the support for devolution reforms and related governance initiatives is overwhelming. Whether all of the donors have critical appreciation of the complexities of the restructuring process within Pakistani national and societal context is, however, questionable. Programmes running for a couple of years, with good communication strategies have made good impressions in the public mind about the government and donor commitments to sustain the devolution reforms. However, in terms of utility and effectiveness doubts remain in the minds of various stakeholders, especially local level managers and service delivery officials. Gender related programmes, however, at times suffer from lack of ownership in KP.

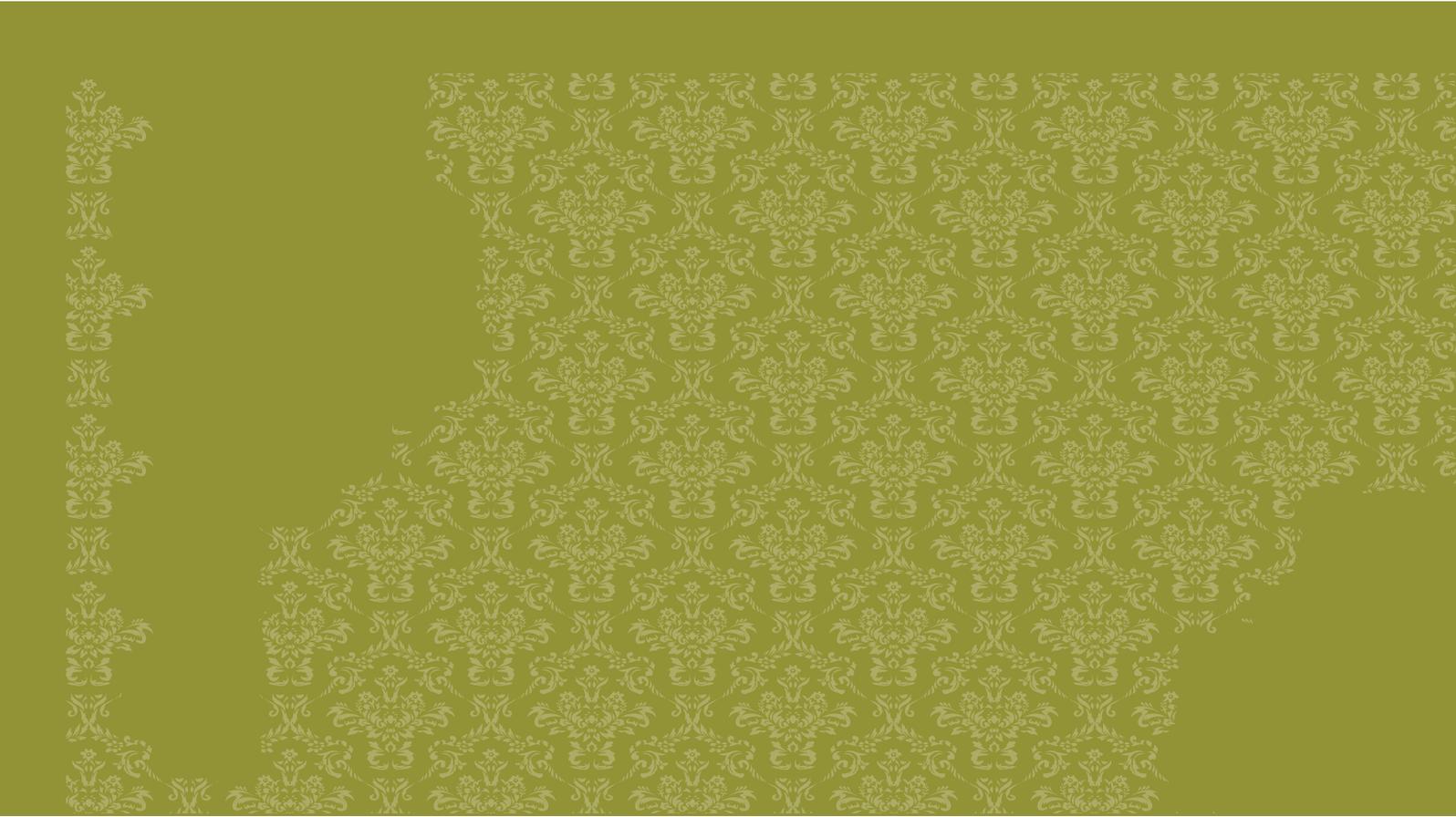
At times it does appear that the gender related programmes have started upon very ambitious agendas, without much regard to the social & cultural values prevalent in the society. This ambition might lead to unexpected reaction and resentment especially in traditional, rural & tribal areas. Many donor programmes have focused on increasing awareness and improving capacity and systems development for CCB formation, registration and execution of projects.

Duplication of effort and overlapping of activities is taking place. For example, CESSD, Aurat Foundation, EIROP, Institute of Research and Development, Peshawar and DTCE have all prepared booklets to provide guidance for CCBs. Most of the interventions have a limited outreach due to management and logistic issues.

The programmes have focused on increasing the capacity and improvement of systems at the district level, while the Tehsil/town and union council level have received limited attention. The TMAs are gaining importance as a vehicle of improved governance in devolved service delivery and urban improvement. A risk factor is that with the change in the government in 2008, the commitment and support for the devolution related reforms, devastating militancy and floods and the sudden U-turn of the government on district level devolution declined, leading to frustration of the whole exercise and wastage of the millions of dollars investment. Relationship between province and local governments were not always comfortable and smooth. The situation was especially bad in KP, as the province and Local Governments represent different political interests. A tug-of-war like situation between the province and the Local Governments hampered the achievement of desired objectives in a number of projects/programmes undertaken.

17. References

- KP Local Government Act 2001
- District Government and TMA Budget Rules, 2003
- National Disaster Management Act, 2010
- GIZ Planning workshop, sharp report, (March 28-29, 2011)
- District Development Advisory Committees (DDACs)
- North-West Frontier Province Land Revenue Act, 1967 (W.P. Act XVII of 1967)
- Sharia Nizam-e-Adal Regulation (special law), 2009
- North-West- Frontier Province Local Government (Amendment) Act, 2010
- Secretary LG&RDD, Government of KP, notification dated 13-02-2010
- Local Government taxation in Pakistan by Roy Bahl and Musharraf Cyen, 2008
- Malakand Strategy of 2009
- Mapping and Assessment of donor-funded/run programmes/initiatives to support governance reforms in Pakistan study report of 2005 by Dr. Muhammad Ajmal for DSP (ADB)
- PCNA & Malakand Strategy
- Constitution of the Islamic Republic of Pakistan, 1973



Deutsche Gesellschaft für
Internationale Zusammenarbeit (GIZ) GmbH

Support to Good Governance in Pakistan Programme
Administrative Reform Component

6-D (4), Park Avenue, University Town,
Peshawar, Pakistan

T (+92 91) 585 2532
F (+92 91) 585 2531
I www.giz.de/pakistan