

# **INSTITUTIONAL REFORMS**

PROGRESS REPORT

MAY 2020

## A. RESTRUCTURING AND STRENGTHENING OF KEY INSTITUTIONS OF ECONOMIC GOVERNANCE

REFORMS	TIMELINE
<p><b>1. State Bank of Pakistan</b></p> <ul style="list-style-type: none"><li>• Law to be amended to strengthen autonomy, governance and mandate of the SBP</li><li>• Formation of Corporate Restructuring Company for revival of sick industries</li></ul> <p><b>2. Securities and Exchange Commission of Pakistan</b></p> <ul style="list-style-type: none"><li>• Policy board revamped and will consist of eminent members and to be chaired by a private sector expert rather than the Secretary Finance</li><li>• End-to-end automation of processes</li></ul>	<p>September 2020</p> <p>Done</p> <p>Done</p> <p>Underway</p>

## A. RESTRUCTURING AND STRENGTHENING OF KEY INSTITUTIONS OF ECONOMIC GOVERNANCE

REFORMS	TIMELINE
<p><b>3. Ministry of Finance</b></p> <ul style="list-style-type: none"> <li>Debt Management Coordination Unit, Treasury Office, Fiscal and Macroeconomic Coordination Unit to be setup drawing domain specialists in their respective fields to improve cash and debt management and fiscal and macro policy formulation and monitoring</li> <li>Public Financial Management Law approved by the Parliament delegating financial powers to the line ministries</li> </ul>	<p>DG and Director Debt Management in place. Other units to be setup</p> <p style="text-align: center;">Done</p>

## A. RESTRUCTURING AND STRENGTHENING OF KEY INSTITUTIONS OF ECONOMIC GOVERNANCE

REFORMS	TIMELINE
<p><b>4. Federal Board of Revenue</b></p> <ul style="list-style-type: none"> <li>• Policy Board of the FBR has been separated and is now located in the Ministry of Finance</li> <li>• World Bank's Program for Pakistan Raises Revenue is assisting the FBR to simplify the tax system, reduce the burden of withholding regime, harmonize tax collection across the Federal Government and the provinces, and to introduce automation to minimize contact between tax payer and tax collector</li> <li>• Prime Minister is personally supervising the restructuring and strengthening of FBR</li> <li>• Tariff determination taken away from FBR and entrusted to National Tariff Commission</li> </ul>	<p>Done</p> <p>On-going</p> <p>Done</p>

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REFORMS	TIMELINE
<p><b>5. Ministry of Planning and Development</b></p> <ul style="list-style-type: none"> <li>• An independent CPEC authority established to coordinate and manage the projects and activities under CPEC</li> <li>• Ministry to focus on mega projects while the limits of the provinces and sectoral ministries have been enhanced</li> <li>• Monitoring and Evaluation Unit of the Ministry being strengthened</li> <li>• Public Private Partnership Authority Revitalized</li> </ul>	<p style="text-align: center;">Done</p> <p style="text-align: center;">Done</p> <p style="text-align: center;">Underway</p> <p style="text-align: center;">CEO Selected</p>

## A. RESTRUCTURING AND STRENGTHENING OF KEY INSTITUTIONS OF ECONOMIC GOVERNANCE

REFORMS	TIMELINE
<p><b>6. Regulatory Agencies</b></p> <ul style="list-style-type: none"> <li>In addition to ‘Ease of Doing Business’ reforms, the Board of Investment is embarked in a comprehensive review of all the regulations facing businesses in access to the Federal, Provincial and Local governments. As a result of this on-going exercise many outdated and overlapping regulations have been scrapped</li> </ul>	<p>On-going Power and Petroleum review completed</p>
<p><b>7. Pakistan Bureau of Statistics</b></p> <ul style="list-style-type: none"> <li>Detached from the Ministry of Finance and made autonomous under its own governing board</li> <li>Recruitment of Chief Statistician and Members</li> </ul>	<p>Done</p> <p>Re-advertised</p>

## A. RESTRUCTURING AND STRENGTHENING OF KEY INSTITUTIONS OF ECONOMIC GOVERNANCE

REFORMS	TIMELINE
<p><b>8. Auditor General of Pakistan</b></p> <ul style="list-style-type: none"> <li>A report has been prepared for revitalizing and modernizing the organization, business processes, human resource, audit methodology of the AGP to make it effective and professional</li> <li>Accounting functions being devolved to the Divisions</li> </ul>	<p>Report to be presented by the Ministry of Finance before the Cabinet</p> <p>Under implementation</p>
<p><b>9. Competition Commission of Pakistan</b></p> <ul style="list-style-type: none"> <li>CCP is constrained by a fundamental legal issue. The removal of this impediment would improve the functioning of the commission for promoting market competition and enforcing action against cartels</li> </ul>	<p>Report has been submitted to the cabinet in March, 2020.</p>

## A. RESTRUCTURING AND STRENGTHENING OF KEY INSTITUTIONS OF ECONOMIC GOVERNANCE

REFORMS	TIMELINE
<p><b>10. Transparent merit based system of appointment of the Chief Executives of the Public Sector autonomous bodies</b></p> <ul style="list-style-type: none"><li>The Cabinet has approved a transparent process that has been implemented and as many as 40 CEOs have so far been appointed by different ministries through an open, competitive basis under this new process. Selecting the right person for the right job would improve the efficient delivery of services by the bodies</li></ul>	Done



## B. REORGANIZING THE FEDERAL GOVERNMENT

REFORMS	TIMELINE
<p><b>I. 324 out of 441 Organizational Entities (OEs) to be retained by the Federal Government as either Executive Departments or Autonomous Bodies</b></p> <ul style="list-style-type: none"><li>• 441 OEs under the FG have been divided into seven categories<ul style="list-style-type: none"><li>➤ 43 to be privatized or transferred to Sarmaya-e-Pakistan</li><li>➤ 14 to be transferred to the provinces</li><li>➤ 8 to be wound up or liquidated</li><li>➤ 35 to be merged</li><li>➤ 17 training institutes to be consolidated</li><li>➤ 87 Executive departments to be retained</li><li>➤ 237 Autonomous bodies to be retained</li></ul></li><li>• Implementation Committee formed by the Cabinet is overseeing actual implementation on weekly basis</li></ul>	<p>Cabinet has approved the plan</p> <p>Three implementation reports have been submitted to the Cabinet and changes have been notified</p> <p>June 2020</p>

## B. REORGANIZING THE FEDERAL GOVERNMENT

REFORMS	TIMELINE
<p><b>2. Merger of Divisions and Ministries</b></p> <ul style="list-style-type: none"><li>• All different federal entities scattered among various divisions brought together under a newly formed Poverty Alleviation and Social Protection Division</li><li>• Capital Administration and Development Division (CADD) abolished and its functions transferred to relevant sectoral ministries</li><li>• Civil Aviation Authority is being divided into two distinct organizations: one would be responsible for the regulatory oversight and enforcement of the aviation industry while the other would manage the commercial operations of the airports. Private sector would be encouraged to enter into concession agreements</li></ul>	<p>Done</p> <p>Done</p> <p>November 2020</p>

## B. REORGANIZING THE FEDERAL GOVERNMENT

REFORMS	TIMELINE
<p><b>2. Merger of Divisions and Ministries (Contd.)</b></p> <ul style="list-style-type: none"><li>• Commerce and Textile Divisions have been merged into one ministry</li><li>• Federal Ministry of Health Services has been reorganized to incorporate more technical expertise</li><li>• Federal Ministry of Defence Production is being restructured to make its organizations more commercially oriented</li><li>• Postal Services Division merged into Federal Ministry of Communication</li></ul>	<p>Done</p> <p>Proposal submitted for approval of the Cabinet</p> <p>Proposal will be submitted for approval of the Cabinet</p> <p>Done</p>

## B. REORGANIZING THE FEDERAL GOVERNMENT

REFORMS	TIMELINE
<p><b>3. Restructuring of CDA</b></p> <ul style="list-style-type: none"><li>The Cabinet has approved the report on restructuring of CDA and directed the Interior Division to prepare an action plan</li></ul>	In process
<p><b>4. E-governance</b></p> <ul style="list-style-type: none"><li>A roadmap has been prepared for e-office suite to be introduced in all Federal Ministries. Ministry of IT&amp;T and NITB are assisting and monitoring the progress</li></ul>	June, 2020
<p><b>5. Establishment of a full time Secretariat for the Council of Common Interests (CCI)</b></p>	Done
<p><b>6. Reorganization of Evacuee Property Trust Board</b></p>	Task Force report has been submitted to the Cabinet in February 2020

## C. CIVIL SERVICE REFORMS

### REFORMS

### TIMELINE

#### I. Human Resource Policies

The whole human resource value chain from induction and recruitment to retirement and severance is being completely reformed

The Cabinet has already approved the following reforms:

- Training of civil servants including ex-cadre and non-cadre specialists to be organized by respective Divisions
- Performance valuation systems based on objectives and key performance indicators
- Promotion Policy
- Appointment of Technical Advisors in the offices of ministers in 14 technical ministries

Started from March 2020

PM's performance contracts with 13 Ministries is to be signed  
Notified

Progress is slow. One TA appointed

## C. CIVIL SERVICE REFORMS

### REFORMS

### TIMELINE

#### I. Human Resource Policies (Contd.)

The following proposals are under discussion and would be submitted to the Cabinet for their consideration:

- Induction and Recruitment
- Career Progression
- Compensation and Benefits
- Retirement and Severance
- National Executive Service
- Internal Accountability Mechanisms

Summary to be resubmitted to Cabinet  
Finalized and announced by PM  
Pay and Pension Commission formed and will submit report by October 2020  
July 2020  
Rules have been revised and notified

## C. CIVIL SERVICE REFORMS

REFORMS	TIMELINE
<p><b>2. Security of Tenure</b></p> <ul style="list-style-type: none"><li>A process for appointment of Federal Secretaries has been approved by the Cabinet along with an assurance of security of tenure</li></ul> <p><b>3. An integrated Human Resource Management Division within the Federal Government</b></p> <ul style="list-style-type: none"><li>To overcome fragmentation and compartmentalization in Human Resource Management within the Federal Government it is proposed to transform the Establishment Division into a Human Resource Management Division for the formulation of HR policies, overseeing and monitoring of those policies and to set performance standards</li></ul>	<p>Being followed and needs to be extended to Head of Departments</p> <p>July 2020</p>

## C. CIVIL SERVICE REFORMS

REFORMS	TIMELINE
<p><b>4. Business Process Reengineering</b></p> <ul style="list-style-type: none"><li>Rules of Business and other rules such as Estacode that govern the functioning of the Federal Government are being reviewed for expeditious decision making</li></ul>	<p>Amendments in Rules of Business with Law Minister Estacode under revision</p>
<p><b>5. Dual Nationals to be appointed in the Government</b></p>	<p>Pending with Law Division</p>
<p><b>6. Interim financial relief to the officers of the Federal Secretariat</b></p>	<p>Summary being prepared by Finance Division in light of suggestions made by Secretaries Committee</p>



END OF PRESENTATION