

MINUTES OF THE MEETING
JOINT MEETING OF THE TASK FORCES ON
CIVIL SERVICE REFORMS AND AUSTERITY AND RESTRUCTURING GOVERNMENT

Date: **15th March, 2019**
Time: **10:00 am to 05:00 pm**
Venue: **Prime Minister's Office, Islamabad**

The **10th meeting** of the ***Task Forces on Civil Services Reforms and Austerity and Restructuring Government*** was jointly held at Prime Minister's Office, Islamabad under the chair of **Dr. Ishrat Hussain**. Following is a re-cap of the key areas of discussion and decisions.

AGENDA ITEMS	DISCUSSION	DECISIONS
<p>Update on KeyProposals</p>	<p>Chair apprised the Task Forces members regarding progress on the summaries and the proposals approved by the Task Forces:</p> <ul style="list-style-type: none"> • E-Governance – After deliberations by the Task Force on IT, the summary is scheduled to be discussed in the upcoming meeting of the Cabinet on 19th March 2019 • Selection Process of CEOs for Key Public Sector Companies–The proposals regarding selection process of heads of 91 key institutions were presented to the Cabinet. With regard to the proposal that the chairman of the Selection Committee should be from outside the government, the Cabinet decided that the relevant Minister Incharge would chair the Selection Committee and one to three external academician/experts would be included in the committee. It was also informed that the number of institutions where this selection process was to be adopted had been reduced from 91 to 65which still included corporations, statutory bodies and companies etc. Universities had been taken out of the list as they were independent and had their own governance structures. Those excluded were security agencies like FIA and IB due to their security sensitivities and Attorney General and other Law offices. The Chair also informed that a three year tenure would be given to the Heads once they are appointed. 	

- Amendments to Rules of Business –In order to narrow down the points of divergence, about five consultative sessions have been held with the Secretaries Committee headed by Advisor on Establishment. The major disagreement that still remains is on the definition of Minister Incharge, that whether it is to include Advisors and Ministers of State, for which Minister of Law will give his view before that matter is taken up by the Cabinet.
- Induction and Recruitment –The Chair informed that Mr. Wajid Rana will be making some additions to the proposals that have already been shared with Establishment Division, before the summary is sent to the Cabinet for decision.
- Public Financial Management –The Chair apprised that he has had a meeting with Minister for Finance who conveyed his support for PFM reforms. The Finance Minister in principle has agreed to:
 - The deconcentration of powers from the Ministry
 - An eminent economist or statistician to be made Chairman of the Governing Council of Pakistan Bureau of Statistics (PBS)
 - Reduce control of the Ministry of Finance on other Ministries for increased financial autonomy by reallocating powers of FAs to CF&AOs
 - Separation of policy and implementation in FBR

Dr. Arshad Mahmood, Additional Secretary, Finance Division added that Minister for Finance had

already conducted a meeting within the Ministry to discuss abolition of FAOs, TSA policy framework and the proposed PFM Law and Strategy. In this regard, TORs are currently being framed for a committee consisting of the Special Secretary and three Additional Secretaries who will discuss proposals of the Task Forces regarding PFM.

The Chair also informed that he held a consultative session on Civil Service Reforms at the National Management Course (NMC) in NSPP, Lahore on 13.03.2019 along with Mr. Salman Siddique and Mr. Suleman Ghani. The purpose was to seek views of the participants regarding the ongoing reform agenda.

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<p>Discussion on Working Paper to Reorganize the Federal Government into Autonomous Bodies & Executive Departments</p>	<p>Dr. Samina Taslim Zehra, Joint Secretary, Institutional Reforms Cell delivered a presentation to highlight the principles and concept behind reorganizing the Federal Government from its current categories (attached departments, autonomous bodies, corporations, statutory bodies, subordinate offices etc.) into a leaner form consisting of two main categories of Autonomous Bodies and Executive Departments. Such a reconfiguration is based on separation of policy making, operational and regulatory functions of each Ministry. It was informed that many commercial manufacturing entities, public utility providers and financial institutions could be privatized or handed over to Sarmya-e-Pakistan Limited, whereas certain redundant organizations could be wound up, and entities performing similar functions could be merged. Certain committees, councils and commissions were also</p>	<ul style="list-style-type: none"> • Pakistan Medical & Dental Council to be taken out of National Health Services, Regulations & Coordination Division and function as independent body • Small & Medium Enterprises Development Authority (SMEDA) to further deliberate on commercial viability of AikHunarAik Nagar (AHAN), once it is taken over • Pakistan Tourism Development Corporation (PTDC) to be merged into National Coordination Board for Tourism once it is formed • Task Forces members were of the opinion that Pakistan Electronic Media Regulatory Authority (PEMRA) and Pakistan Telecommunication Authority (PTA) may not be merged having distinct functions • Organisations such as National Academy of Performing Arts (NAPA) to be categorized as Grant-in-Aid Bodies • Law and Justice Division to be consulted regarding possibility of combining Customs and Inland Revenue Appellate Tribunals, and Banking Courts and Special Courts • Entities such as Livestock & Dairy Development Board

	<p>recommended to be transformed into independent bodies.</p> <p>Reconfiguration will help achieve a clearly defined and focused organizational structure of the Federal Government, and reduce the number of government entities from about 440 to approximately 311 organizations.</p> <p>The Task Forces members thoroughly examined the proposed configurations for the existing organizational entities, and made some suggestions for further refining the placements.</p> <p>Mr. Javed Sikander informed that National Construction Company Limited was working under Planning, Development & Reform Division instead of Housing & Works Division.</p>	<p>(LDDDB), Pakistan Oilseed Development Board (PODB) and Fisheries Development Board (FDB) are required for national coordination and have specific functionality</p> <ul style="list-style-type: none"> • Organisations such as Pakistan Agriculture Research Council (PARC) to be made centres of research and development, and staff to be incentivised with performance based remuneration packages • Financial Monitoring Unit (FMU) is an Autonomous Body under Finance Division, as informed by Mr. Mujtaba Memon, Additional Secretary, Finance Division • Pakistan Industrial Development Corporation (PIDC) to be a holding company with National Industrial Parks Development & Management Company under its umbrella • Council for Works & Housing Research (CWHR) working under Science & Technology Division proposed to be placed with Housing & Works Division • National Language Promotion Board (NLPB) placed under National History & Literary Heritage Division to work as an Autonomous Body and renamed as National Language Promotion Authority under Cabinet Division
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<p>Introduction of Working Paper on Retirement Age and Discussion on Senate Committee Proposal to Increase University Teachers' Retirement Age</p>	<p>The proposal to increase civil servants' retirement age from 60 to 62 years was discussed. The rationale behind the proposal is to provide effective governance with continuity in policy and leadership, and reduce the pension bill of the state.</p> <p>It was suggested that the age for superannuation of senior civil servants would be extended from 60 to 62 years in a phased manner. Initially, Secretaries would be allowed to continue till the age of 62, provided they are cleared by the Selection Board for continuation of service, and subsequently officers in Grades 20 and above would be eligible. However, officers willing to avail retirement at the age of 60 will be able to do so with full benefits.</p> <p>The recommendation of the Senate Functional Committee on Devolution regarding extension in retirement age of university teachers from 60 to 65 years of age, to meet shortage of experienced senior faculty, was also discussed. The members of the Task Forces concurred with the recommendation to increase the retirement age for university teachers from 60 to 65 years.</p>	<ul style="list-style-type: none"> • Secretaries to be allowed to continue till the age of 62, provided they are cleared by the Selection Board for continuation of service • The age for superannuation of senior civil servants to be extended from 60 to 62 years in a phased manner • Task Forces members concurred with the recommendation of the Senate Functional Committee on Devolution for increasing retirement age of university teachers from 60 to 65 years, to overcome paucity of experienced senior faculty / PhD Supervisors

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<p>Update on Civil Service Reforms and Restructuring in Sindh</p>	<p>Ms. Naheed Shah, Managing Director, Sindh Education Foundation updated the participants about the progress of governance reform in Sindh. It was informed that currently six sub-committees, each headed by a Secretary have been established in the province to carry forward the reform agenda in the following areas:</p> <ol style="list-style-type: none"> 1. Restructuring/ Institutional Reform of Department of School Education & Literacy 2. Restructuring/ Institutional Reform of Health Department 3. Institutional Reform in Security Management i.e. Police aligned to current times 4. Tax Management Reforms 5. Local Government and Urban Management Institutional Reform 6. Sub Committee on Provincial Management Services <p>The current focus in the province is to improve service delivery through automation of Human Resource Management (HRM) in departments like education and</p>	<ul style="list-style-type: none"> • Need to shift towards a Human Resource Management Information System (HRMIS) in provincial Education and Health departments • Need to empower local governments by decentralizing transfer/posting functions in these departments to the local level • A formula could be devised whereby a portion of the amount collected from Urban Immovable Property Tax could be given to those cities that yield higher revenues, as an incentive for better performance in terms of revenue generation • Ms. Naheed Shah to suggest to Chief Minister, Sindh for setting up a Cabinet Committee on Governance Reforms • Ms. Roshaneh Zafar to share the findings of survey on service delivery in police, education and health sectors, conducted in Sindh, Khyber Pakhtunkhwa and Punjab • Mr. Shaukat Ali, Secretary Food Department,

	<p>health, which will help departmental heads to focus on improving service delivery rather than being bogged down in HRM issues on a daily basis.</p> <p>It was apprised that keeping in view the better performance of Sindh Revenue Board, the possibility of transferring collection of some taxes from Excise and Taxation Department had come under discussion in the provincial sub-committee. Urban Immovable Property Tax is one such area that has capacity for generating sizable revenues for the provincial government. There was consensus that the local governments needed to be involved while conducting surveys of the urban areas to bring in ownership at the grassroots.</p>	<p>Punjab to obtain model of Sindh Education Foundation (SEF) from Ms. Naheed Shah, for possibility of replication in Punjab, i.e. blended approach of vocational training and schooling</p>
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<p>Discussion on Pay & Compensation</p>	<p>As decided in the 9th Joint Meeting of the Task Forces, a proposal regarding transformation of Establishment Division into a Human Resource Division, was to be developed by the sub-group on Pay & Compensation.</p> <p>Mr. Gulzar Shah, Joint Secretary (E), Establishment Division informed that by April, 2019 the Division will start making decisions using a Human Resource Management Information System (HRMIS).</p>	<ul style="list-style-type: none"> • Regarding the proposal to transform Establishment Division into a Human Resource (HR) Division; Mr. Gulzar Shah, JS (E) will join the Pay & Compensation sub-group working on developing TORs for the proposed HR Division • Mr. Burhan Rasool, GM (IT), PITB to assist Establishment Division in establishment of a HRMIS solution