

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

Date: 29th March, 2019
Time: 10:00 am to 05:00 pm
Venue: Prime Minister's Office, Islamabad

The 11th meeting of the *Task Forces on Civil Services Reforms and Austerity and Restructuring of Government* was jointly held at Prime Minister's Office, Islamabad, with **Mr. Shahid Kardar in the Chair**. Following is a re-cap of the key areas of discussion and decisions.

AGENDA ITEMS	DISCUSSION	DECISIONS
Update on Key Proposals	<p>Joint Secretary, IRC apprised the Task Forces' members regarding progress on summaries and proposals approved by the Task Forces:</p> <ul style="list-style-type: none"> • E-Governance – The summary was discussed in the Cabinet meeting held on 19th of March 2019. The proposal for the development of a detailed roadmap for implementation of E-governance by NITB in the Federal Government was approved. The appointment of a Chief Information Officer (CIO) in MP-1 scale was also approved. It was decided that the position of CIO would be re-designated as Chief Information Technology Officer (CITO) and located in the Ministry of IT & Telecom, and the President of Pakistan would be the Patron in Chief of NITB. • Selection Process of CEOs for Key Public Sector Companies – The Cabinet in its meeting held on 19th of March, 2019 approved the summary with some minor changes. Instead of having one to three experts or specialists from academia and the private sector, the Selection Committee will now contain one to three experts having domain knowledge to be nominated by the Minister-Incharge concerned. Also, instead of the Prime Minister, the Minister Incharge would be authorized to select the members of the Selection Committee. The ministry concerned will carry out secretarial functions and prepare the record of the eligible candidates, and shall draft the job description, eligibility criteria and the skill set required for the position to be mandated for carrying out the specified functions. The Selection Committee shall decide the evaluation parameters for the said job. The Division concerned will submit the list of eligible candidates to the Selection 	

Committee for initial review. The appointing authority may select any of the candidates recommended by the Committee, on contract for a fixed tenure. If an officer of the government or armed forces is selected for the post of CEO, he or she should seek premature retirement or resign from the government.

- Reorganization of the Federal Government – The proposed configuration of about 440 organisational entities was discussed in the Secretaries Committee meeting held on 20th March 2019. During the discussion it was suggested that a more concerted effort was needed to undertake a comprehensive review of the objectives and the usefulness of continuing to fund these organizations. Some of the members who had dealt with some of these institutions raised the concerns about the utility of their establishment and the quality of their contribution to the achievement of the stated objectives. Therefore, they questioned their retention either in their present form and structure or their continuing survival after mergers. Members communicated their reservations about cosmetic changes in the name of reorganization. They were of the view that tough decisions were needed to reduce the burden of a bloated and oversized government in the form of organizations which could not justify or rationalize the need for their continuation.

Following is a re-cap of the general concerns expressed by the members regarding the working of the Institutional Reforms Cell:

- Approval of Summaries – The participants expressed their views on processes undertaken for the approval of summaries. Members felt that as they were constituted as a Task Force by the PM

there should be no objection to the summaries being shared with them under the rules of business. Members were of the opinion that there should be a mechanism for the sharing of summaries with the Task Forces and, if necessary, appropriate amendments should be incorporated in the Rules of Business to enable this. Furthermore, there was a general view that if the proposals of the Task Force are to be tabled in the Secretaries Committee, the finalization of the recommendations for submission to the Cabinet should be through a formal consultative process with the Task Forces. One view was that no other committee should have precedence over the Task Forces as the Task Forces on Civil Service Reform (CSR) and Austerity & Restructuring of Government (ARG) had been mandated for comprehensive reforms, and as such there was no need for a parallel process to prevail over their recommendations.

- Recording of Minutes & Information Sharing – It was suggested by members that the discussion in the Task Forces meetings should be recorded in the minutes in a comprehensive manner without the attribution of the views expressed in the meeting. This would help develop a record for posterity of the range of ideas and views expressed on the subject, which was also crucial for institutional memory. The members called for better information sharing between both Task Forces, and suggested recording of joint views which would help incorporation of collective wisdom. And not reflecting the richness of the discussion was conveying an impression that not much headway was being made on the nature and scope of reforms. It was highlighted that for the reasons mentioned above key discussion points get fully documented in the case of the corporate sector.

- National Executive Service (NES) – Concerns were expressed on the growing impression that a proposal for the establishment of the NES was being piloted, whereas until now the subject had only received passing mention in the meetings of the Task Forces.

Another concern expressed was that since the attendance in the joint meetings had shrunk over time there was a need to reflect on the reasons for the diminishing interest in participation in the deliberations of the Task Forces.

Joint Secretary, IRC clarified that as per Rules of Business, only the Secretary concerned could move a summary, and IRC secretariat had no discretion in deciding the content or timing of a specific summary. She also explained that in case of disagreements in proposals, both versions were presented to the Cabinet, as had happened in the case of amendments to Rules of Business, whereas the Advisor on IRA had put forth the recommendations of both the Task Forces and Secretaries Committee headed by Mr. Arbab Shahzad, Advisor on Establishment. The members were further apprised that Advisor on IRA regularly updated and briefed the Task Forces members about summaries' progress and input of other committees, during the joint meetings. Nevertheless, the observations of the members would be communicated to the Advisor on IRA.

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<p>Introduction to upcoming Donors Conference in Islamabad</p>	<p>Mr. Javed Sikander, Chief (Governance), Planning, Reform & Development Division delivered a presentation to highlight the purpose behind the upcoming Donors Conference, which was laid out as follows:</p> <ul style="list-style-type: none"> • Map out the multiple recent, ongoing and planned reform initiatives undertaken by the Task Forces • Establish a baseline of progress made against intended reform targets, milestones and impacts by these initiatives • Develop and build consensus around the strategic direction and priorities to be addressed by future reform efforts • Secure commitments for support among relevant governance stakeholders for these reform efforts <p>The Task Forces were informed that the event was being led by Ministry of Planning, Development & Reform in collaboration with UNDP, where the focus areas would be the ones already taken up by the Task Forces. The participating donors were listed as:</p> <ul style="list-style-type: none"> • Department for International Development (DfID) • World Bank • Asian Development Bank (ADB) • United States Agency for International Development (USAID) 	<ul style="list-style-type: none"> • The TORs, outputs and deliverables need to be agreed by the Task Forces prior to any donor intervention • The reports generated will be vetted by the Task Forces

- Japan International Cooperation Agency (JICA)
- Swiss Agency for Development & Cooperation

It was added that the event would aim to be a focused exercise for soliciting expertise in areas such as psychometric testing, which the Task Forces had identified as an input in the process of selecting fresh entrants to the civil service. This exercise would assist institutions like FPSC in future recruitment processes once the induction reforms get implemented.

It was suggested by the members of the Task Forces that the reform process should be indigenous to Pakistan, and as such should be led by the government as opposed to donors setting the agenda for reforms. There was a need to reassess donors' involvement as the Technical Assistance usually came laden with preconditions. The need for seeking financial assistance from donors for developing KPIs was also questioned, considering that expertise in developing such components are readily available domestically and recruiting individuals or institutions with these skills would not be an expensive exercise for the government to fund. It was strongly recommended that the Government first needed to be clear on what it intended to achieve with donors' help. Members

showed their reservations in hiring consultants to write reports on behalf of the Government. It was viewed that the Government first needed to work internally on performance auditing, transactional oversight and realignment of functionality before seeking donors' financial assistance. Furthermore, if the need for any donor funded assistance was considered desirable, the ToRs of the consultants and the associated reports or outputs should be driven and supervised by the relevant government agency for approval/adoption.

As regards to PFM reform, a member pointed out that there had been no concrete reform since the first donor involvement in 1985, therefore, the Task Forces and Finance Division first needed to bring clarity on the intended objectives of donor intervention. It was added that the ongoing Government coordination with FATF was not about PFM reform. Thus, the two issues needed to be dealt with separately. Reference was also made to the World Bank assistance in PforR program, where the focus was on the improvement in the government's operational functioning as opposed to simply seeking donor funds.

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<p>Proposed amendments to System of Financial Control & Budgeting + Cash Management & Treasury Single Account Policy</p>	<p>Mr. Arshad Mahmood, Additional Secretary (Expenditure), Finance Division apprised the members that the Division was currently evolving consensus on multiple areas like cash management & TSA framework policy, financial control & budgeting, abolition of FAOs and PFM strategy & law. He informed the members that the respective wings were working on proposals and would share them with the new Finance Secretary as well as the Minister, who has been busy lately with the visiting FATF team.</p> <p>He informed the members that the incoming Secretary had been briefed about the reform proposals under consideration which require further deliberations with stakeholders. In order to reach meaningful and implementable proposals, the Finance Division requested for a month to bring them into shape for the review of the Task Forces.</p>	<ul style="list-style-type: none"> • The Finance Division to present PFM proposals in a month's time after a detailed and meaningful consultative process, that also caters to the implementation aspects of the reforms

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<p>Proposed amendments to Government Servants (Efficiency and Discipline) Rules, 1973</p>	<p>In light of the decisions taken in the previous meeting, Mr. Salman Akram Raja apprised the members that two issues were pending on the subject area:</p> <ul style="list-style-type: none"> • Efficacy of departmental appeal • Definition of “inefficiency” <p>He informed the members that the purpose of the amendments was to improve the definition and scope of the term “<i>inefficiency</i>” to enable expeditious disposal of E&D proceedings. A decision had to be made whether the forum of internal appeal before approaching to FST should be discontinued. Members emphasized evidence-based decision making and were of the opinion that an assessment needed to be made on whether the process allowing for internal appeals was lessening the burden of the FST or it was merely adding to the delay in the conclusion of the disciplinary proceedings.</p> <p>Mr. Gulzar Shah, Joint Secretary (E), Establishment Division informed the Task Forces that data on outcomes of appeals shared by the Division</p>	<ul style="list-style-type: none"> • Linking inefficiency with KPIs • Mr. Gulzar Shah, Joint Secretary (E), Establishment Division to share data on outcomes of Appeals pertaining to Federal Service Tribunal (FST) • Mr. Masood Mukhtar, Secretary (I&C), S&GAD, Punjab to share data on outcomes of the Appeals pertaining to Punjab Service Tribunal • Corruption and inefficiency to be treated separately

basically pertained to officers of four service groups, namely, Police Service of Pakistan (PSP), Office Management Group (OMG), Secretariat Service and Pakistan Administrative Service (PAS) for a period of two years from 2016 to 2018. It was revealed that of a total number of 85 cases, 59% of appeals had been rejected, another 20% had been accepted fully or partially whereas 21% of appeals were under process. Participants suggested that the data needed to be further refined by type of offence and the time taken to conclude proceedings.

It was argued that “inefficiency” was a management issue and should not be subsumed under a legal framework; hence, the need to incorporate KPIs in determining efficiency to make the rules objectively enforceable, since the existing rules were simply too vague to assess achievements of performance targets. A member added that a legal framework was as good as the people who implement it, hence, a mindset of transparency and fairness needed to be inculcated. This required that the rules incorporated aspects related to ethics and were not solely focused on efficiency, and a discernable difference was required between incompetence and maleficence.

In the discussion covering disciplinary proceedings undertaken against officers for possessing assets beyond means, it was revealed that the

under the rules

- In the context of the scope of the term “inefficiency” aspects pertaining to functional responsibilities should be taken up under performance management

Establishment Division generally did not deal with cases of bribery, corruption or asset beyond means under the E&D rules. Members were apprised that although the rules empowered the Division to examine such cases but associated proceedings tended not to be that common. A member suggested that appropriate steps could be initiated since the Division maintained details of assets of civil servants. The concept of corruption sniffing Artificial Intelligence (AI) Bots was also introduced, which was, however, kept pending for discussion at a later stage.

Attention was also drawn to the decision taken in the 9th Joint Meeting. It was decided during the meeting that all public sector institutions needed to develop internal accountability mechanisms. This would have two-way benefits. First it would help develop a culture of ethical professional practices and second, it would mitigate the role of external agencies like NAB.

The Task Forces were also informed that under the NAB law, permission was not required from the department concerned before initiating action against a civil servant, and as such internal accountability with regard to financial matters was not a strong point of departments. It was added that the proceedings of NAB, the provincial Anti-Corruption Establishment and PEEDA Act were mutually exclusive and did not bar initiation of action against

a civil servant, if proceedings had been undertaken under any of these relevant laws. It was reiterated that the NAB law did not require prior sanction of departments concerned, and as such the law would need to be amended.

The ineffectiveness of disciplinary rules in the face of frequent recourse to courts by civil servants also came under discussion. It was pointed out that the departmental decisions were usually overturned at the Service Tribunal.

To deter civil servants from pursuing civil litigation for the redressal of their grievances, a need for adequate documentation supporting/justifying the decisions of the promotion board was stressed. Members were informed that the promotion committees while relying on the collective wisdom of the members, the decision on the promotion or otherwise of an officer should be based on objective criteria, to make the process more transparent, and hence defensible in the courts. They were also informed that since September 2017, the reports of intelligence agencies no longer formed part of an officer's record for determining eligibility for promotion and hence did not have a bearing on these decisions.

AGENDA ITEMS	DISCUSSION	DECISIONS
<p>Discussion on Working Paper on Retirement Age</p>	<p>After reservations expressed by some members that the proposal to increase retirement age for civil servants for the post of Secretaries, had not been fully discussed in the previous meeting, the matter was deliberated upon further.</p> <p>The extension in retirement age of senior civil servants and that of university teachers were considered to be separate issues and should be taken up as a part of unbundling of services. Members noted that they had noted before that the UPS had unnecessarily bundled all manner of services in the country into uniform pay grades, retirement ages and promotion rules. Universities should now be taken out of the UPS and allowed to fix their own retirement rules. And that there was no reason for the government to centrally fix their retirement age.</p> <p>Members were of the view that it would not be appropriate to extend the retirement age as there was no domain specialist available</p>	<ul style="list-style-type: none"> • The increase in retirement age needs to be supported by an effective and credible Performance Management System

whose services were key to the policy implementation. It was also viewed that as long as there were no objective criteria for determining outstanding performance, the decision to support the increase in retirement age could be subjected to abuse. It was suggested that the proposal should not be adopted in isolation but to link it with reforms in induction, training and performance management.

Some members favored the proposal as currently the age at which civil servants were joining the service had been enhanced to 30 years, not leaving them with enough tenure in service. It was also pointed out that a step in this direction would help reduce the pension bill and as such the retirement age could be increased till 65 years.

Others were of the opinion that the extension should only be for those with outstanding performance, which would require a credible system to be in place for developing objective criteria for the selection of such officers. In the absence of an effective Performance Management System the potential for exercising discretion would be incentivised, undermining the objectives of fair play, merit and transparency.

AGENDA ITEMS	DISCUSSION	DECISIONS
Restructuring of Pakistan Post	<p>Mr. Pir Bakhsh Jamali, Secretary, Ministry of Postal Services and Mr. Ejaz Ahmad Minhas, Additional DG (Financial Services) attended the meeting on the agenda item. A presentation was made with regards to the current status of Pakistan Post, and areas where it was lagging behind were identified.</p> <p>The presentation provided a quick snapshot of the composition of and services offered by Pakistan Post including its core postal services as well as its financial services, and its role in the disbursement of BISP grants. Cost effective and reliable parcel services could immensely enhance the Post's export potential. It was also observed that Pakistan Post could play a major role in facilitating remittance inflow by transmission and delivery through its post. Postal counters and home delivery systems could be set up to facilitate this service. The revival of</p>	<ul style="list-style-type: none"> • There was general agreement among members of the Task Forces on the need to transform Pakistan Post into a corporate body, not dependent on funds from the Finance Division to meet its losses and settle its obligations • A clear business case needed to be formulated to include standards of service • The levels of required subsidies to be worked out and agreed to by the Finance Division • Pakistan Post to pick up its pension bill • It should be liable to face the consequences of making losses without any guarantee of a

	<p>Pakistan Post could play a major role in the financial inclusion process as post offices currently offer basic banking services. Infrastructure strengthening was also proposed to help with e-commerce growth. The three areas of importance to consider would be logistics, delivery and financial payments.</p> <p>Within the realm of export growth the delegation shed light on regional practices where technology enabled service delivery platforms particularly in the case of India and Bangladesh had made a discernible impact on local markets. The same steps should be considered in the Pakistani context. It was urged that there was great potential in the logistics, delivery and financial payment services provided by Pakistan Post to encourage the growth of SMEs.</p> <p>The restructuring of Pakistan Post into a commercial autonomous entity was stressed. The board of this organisation would then include individuals from the private sector and regular stocktaking would become a routine exercise, with the DG of Pakistan Post acting as its CEO. With time, it was hoped that Pakistan Post would then be able to cover its costs,</p>	<p>bailout by the government.</p> <ul style="list-style-type: none"> • Specialised training involving logistics and marketing to be incorporated • In the next meeting, Mr. Arshad Mahmood, Additional Secretary (Expenditure), Finance Division to share with the Task Forces the proposed transformation of the Central Directorate of National Savings (CDNS) • Railways and FBR to be invited to make similar presentations to the Task Forces
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paving the way for it to become a commercial entity.

It was proposed that along the lines of the Universal Service Fund, whereby telecom operators contribute a share of their earnings for development of digital services in rural areas; a Postal Service Fund could be created whereby different courier companies could be charged to contribute a percentage of their earnings to the fund, for utilization in expansion of the postal network. The example of India was given where the government recently pledged Rs. 900 crore for IT improvement, and as such investment would be required in Pakistan as well if postal services were to be improved. Furthermore, the need for performance based remuneration was stressed.

In the discussion that followed, members of the Task Forces expressed reservations on Pakistan Post's ability to achieve desired reforms, if it continued to work in its existing form and structure. The Finance Division requested the delegation of Pakistan Post to elaborate on why it was under significant amounts of debt. Offering the case of CDNS, the representative of the Finance Division volunteered to present a brief on the

transformation of the CDNS in the next meeting. It was informed by Pakistan Post that the insurance premiums collected by them formed part of the Federal Consolidated Fund, from which they get a share to pay off their liabilities. The Task Force was informed that the reason for the increase in its deficit was the reduction in the commission percentage from 1.5% to 0.5% of collections, coupled with a heavy pension bill.

Reservations were also expressed on the reforms proposed by Pakistan Post because they did not seek the the creation of a corporate set up. It was also proposed that mode of Public Private Partnership (PPP), with a majority stake of government, could also be examined for proposing the way forward.

AGENDA ITEMS	DISCUSSION	DECISIONS
<p>Discussion on Working Paper on Reorganization of Training & Policy Research Institutions</p>	<p>The last agenda item of the meeting concerned the reorganisation of training and policy research institutes in the country. Joint Secretary, IRC informed the chair that Mr. Suleman Ghani and Mr. Umair Javed were working on the content of the training modules for training and policy research institutes within Pakistan. The paper under discussion did not deal with the content but the structure of the training and policy institutes and proposed new clusters for reorganization and merger of the 23 different institutes.</p> <p>The working paper was presented in light of the widely held perception that the current training imparted to civil servants lacked in adequacy to address the special needs of the future. Particularly in the case of civil servants who do not belong to any specific cadre or service group, there was no process in place for providing them with skill enhancement opportunities in their specialised fields/disciplines.</p>	<ul style="list-style-type: none"> • Modular courses need to be conducted that should be well-focused • Courses to be structured in a manner that address the needs of participants with different aptitudes • The trainings need to be demand-driven with greater clarity on the outcomes • A study needed to be undertaken to consider the cases of other academies that needed to be wound up. • Need to inculcate research culture in training institutes

The paper proposed the merger of some institutes and the creation of others where training opportunities were lacking. These reorganised institutes would provide mid-career training, on the job training and evaluation and carry out policy research. By pooling expert resources and sharing physical infrastructure, fixed costs could be minimised and the administrative burden of overseeing multiple institutions could be reduced. Furthermore, linkages with academic institutes and universities could be strengthened for conducting good quality policy research, benefiting both participants and policy makers.

The proposed clusters are as follows:

1. Constituent colleges, institutes and academies of the National School of Public Policy

The National Management College, National Institute of Management based in Islamabad, Quetta, Peshawar, Karachi and Lahore along with the Civil Services Academy and the Secretariat Training Institute should all be merged under the NSPP and managed jointly.

2. Institute of Fiscal Policy and Financial Management

The Audit and Accounts Academy, IRS Training DG and the

- International best practices need to be reviewed for charting the way forward
- Simulations conducted during trainings need to be better aligned with post-training application
- A need to link this exercise with the larger exercise on reorganizing the government structure was emphasized

Customs Training DG should be merged to create an institute that jointly trains the officers of these three services.

3. Human Development Policy Institute

The Academy of Educational Planning, Pakistan Manpower Institute and the National Institute of Population Studies should be absorbed under the Human Development Institute.

4. Infrastructure Policy Institute

Pakistan Railways Academy, National Transport Research Centre and Eco Postal Staff College should be merged to create one government institute that catered to infrastructure policy training and research.

5. Agriculture and Environment Policy Institute

The AEPI is to be formed by bringing together the Agriculture Policy Institute, Academy for Rural Development and the A.H.K. National Centre for Rural Development.

6. Industrial and Trade Policy Institute

Six institutes namely the Pakistan Institute for Trade and Development, Pakistan Institute of Management, Engineering Development Board, Pakistan Industrial Technical Assistance Centre, Fertilizer Research Institute and the National Productivity Organisation are proposed to

be merged to create the ITPI.

A few research and training institutes that exist already should be retained in their current structure including the Foreign Service Academy, Information Service Academy, National Police Academy and the Pakistan Planning and Management Institute (PPMI) which currently functions under the Ministry of Planning, Development & Reform.

Each cluster should be an autonomous body governed by a Board of Directors and a Chief Executive who would report to the board. It has been proposed that the Secretary of the Division should act as the Chairman of the Board on a rotating basis with ex-officio members drawn from the Finance and Establishment Divisions. The purpose of having the Secretary concerned head the board was that these institutes could then guide the scope of the training and conduct research to focus on the policy aims and objectives of the government.

It was followed by a rich discussion on the subject. Members were of the view that the proposal needed a more comprehensive review

of options for strengthening the recommendations to achieve desired objectives. They were of the view that what was required was more fundamental changes in the structure of training institutes. Reservations were expressed about the proposal that Secretary of the Ministry should be on the board of policy research and training institutes specific to the field of that ministry. It was inquired whether the need for the secretaries to be on the board of the said institutes arose due to a lack of confidence in the current leadership of the institutes, many of whom are currently in service and well acquainted with the policies of the government and the subjects relevant to the reform agenda. Members enquired why the government did not collaborate with academic institutes for training of civil servants. Since academic institutions are home to the best specialists in the country, it would be more prudent to consider the role that these academic institutes could play in training public officials.

It was argued that training needs of the officers must be re-assessed and courses must be administered in academic environments. The real estate that the current institutes support and maintain should be disposed off and civil servants should be

sent to universities.

A general view was that there was a need to examine whether these existing institutions were serving the purpose for which they were originally established. Civil servants are currently being enrolled in six month long courses that do not achieve the desired objective of the training as they do not teach them skills they can employ in their assignments, thereby not impacting favourably on the standards of public service delivery after the completion of these trainings. Instead the government should consider adopting the best practices in other countries where short modular courses are generally conducted for a few days and at most 2-3 weeks, but rarely longer than that. These courses tend to be targeted to a specific subject, providing exposure and current knowledge in specific skills.

Concerns were expressed on the capability of the leadership currently managing these academies to design and provide/supervise the requisite quality of training in the skills needed in a dynamically changing technology driven environment.

It was also questioned whether those in the same grades and with similar experience and lacking specific skills in the areas covered in the training programme could be considered good judges of the performance of the course participants.

An experienced professional who has taught at a government academy noted that the calibre, quality and vigour of the civil servants attending these courses had worsened over time. The need to discern the quality of input required by the trainees was stressed, for which the government needed to articulate its vision with respect to its role and the nature and quality of inputs that that would be required for delivering good governance

The simulation exercise was cited as a rewarding part of the course and it was observed that more exercises of this nature should be conducted for improving the scope of knowledge of the participants. Although some members who have participated in this simulation exercise noted the poor quality of the output that is received at the end.