

MINUTES OF THE MEETING
15th JOINT MEETING OF THE TASK FORCES ON
CIVIL SERVICE REFORMS AND AUSTERITY & RESTRUCTURING OF GOVERNMENT

Date: Friday, 8th November, 2019
Time: 10:00 am to 5:00 pm
Venue: Prime Minister's Office, Islamabad
Chairman of the meeting: Dr. Ishrat Husain
Advisor to the Prime Minister on Institutional Reforms and Austerity

List of the participants:

Mr. Salman Siddique Member Task Force on ARG	Dr. Safdar Sohail Special Secretary, Cabinet	Mr. Faisal NITB
Mr. Ijaz Nabi Member Task Force on ARG	Dr. Arshad Mahmood Additional Secretary, Ministry of Finance	Muhammad Jamil Mushtaq NITB
Ms. Roshaneh Zafar Member Task Force on ARG	Mr. Anjum Bashir Joint Secretary, Establishment Division	Mr. Qamar Zaman Joint Secretary, IRC
Mr. Burhan Rasool Member Task Force on ARG	Masroor Hussain Establishment Division	Dr. Altamash Janjua Deputy Secretary, IRC
Mr. Abdullah Yousaf Member Task Force on ARG	Mr. Javed Sikander Chief, Ministry of Planning Development and Reforms	Mr. Najeebullah Khan Deputy Secretary, IRC
Mr. Asad Ali Shah Member Task Force on ARG	Mr. Aslam Ghauri Government of Sindh	
Mr. Shoaib Dastagir MD, National Police Foundation	Mr. Adeel Khalid UNDP	
Mr. Nadeem Ul Haq Member Task Force on CSR	Mr. Bilal Abbasi Director, Ministry of IT & T	

Agenda:

- **Discussion on Progress Review and Work Plan**
- **Discussion on draft of Government Servants Efficiency and Discipline Rules, 2019**
- **Online Degree Verification and e-Attestation**
- **Update on implementation of E-Governance reforms by Ministry of Information Technology and Telecommunication and NITB**
- **Section 42 Companies: Experiment in Modernizing Government**

AGENDA ITEMS	DISCUSSION	DECISIONS
Progress Review & Work Plan	<p>The Chair apprised the participants with the progress made so far and the future work plan. In particular, he highlighted that the recommendations/ proposals of the Task Forces on training strategy and performance management of civil servants have been approved by the Cabinet whereas the summaries on Induction and Recruitment and Career Progression are under process/consideration. The recommendation on induction are being examined by the Prime Minister’s office and Establishment Division in detail.</p> <p>Topics currently under consideration of the Task Forces include Compensation and Benefits, Retirement Policy and National Executive Service. In the area of Compensation and Benefits. The Chair underlined the need for the Task forces to quickly finalize their recommendations since the provinces of Punjab and Khyber Pakhtunkhwa have already announced the introduction of executive allowances for the officers posted there. This has created an adverse asymmetry between the compensation packages of Federal Government officers and those working in the provinces. Regarding pension, the participants suggested to do away with it as Pension bill is going on upward slope every next year.</p> <p>The Chair further elaborated that various proposals of Task Force on Austerity & Restructuring of Government (ARG) have been approved by Cabinet and the implementation is underway. In the sphere of public financial management (delegation of financial powers) much work has been done. The number of Principal Accounting Officers (PAOs) in the Federal Government has increased to 70 and 150 more PAOs will be notified soon. Similarly, delegation of audit functions to the Ministries has also commenced. A detailed progress review will be provided by Finance Division in the next meeting. On the topic of reorganization of 441 federal government organizations, the chair apprised the committee that significant work has been completed by the Implementation Committee. Except the Ministry of Science and Technology, most of the divisions have accepted the proposals and the notification of changes would be made soon.</p>	<ul style="list-style-type: none"> • Mr. Nadeem ul Haq who has recently been appointed as Vice Chancellor of Pakistan Institute of Development Economics, will initiate a comprehensive study on Compensation and Benefits and retirement policy and present a report in six weeks to the task forces. The study will be financed by Planning Development and Reforms Division. Mr. Arshad Mahmood, Additional Secretary from Finance Division will act as the focal person for provision of financial data required in the process. • A detailed progress review will be provided by Finance Division on the implementation of PFM law in the next meeting

Two other topics currently under consideration by the Task Force on ARG are that of upgradation of Establishment Division into a Human Resource Management Division for the entire federal government and the restructuring of FBR which is being done under the supervision of the PM. On the former subject, the Establishment Division (ED) is currently working on a proposal with the assistance of UNDP. The participants suggested that ED to be restructured in line with the International Best Practices especially learning from the examples of efficient bureaucracies like the one in Singapore. Mr. Nadeem Ul Haque further advised the ED to include extensive use of ERP solutions like Oracle and SAP in the proposed model. This advice was seconded by the other Committee members.

Similarly, it has been decided by the members of the task force to consider the creation of the National Executive Service (NES) since work on all the other aspects of the value chain of the civil service reforms has been initiated. The NES will open all seats in various Divisions of the Federal Secretariat in BPS 20 and upwards for all federal and provincial government officers. The Chair proposed that there should be 4 streams of NES which will include 1) Economic stream 2) Technical Stream 3) Social Sector stream and 4) General stream. Mr. Asad Ali Shah raised the objection that posting and transfer within such broad streams will defeat the purported benefits of specialization. The chair commented that initially 4 streams is a good structure to start with and later on the specialist streams can be made narrower. This important subject will be further deliberated upon in the future meetings of the Task forces.

The Chair informed the participants that there is a lot of pressure on the FPSC as more than 38000 candidates applied for CSS Examinations to be held in 2020 and the desire on part of the FPSC is to introduce the reforms like screening test at the earliest. However, there is a concern that a sudden announcement of screening test may shock the candidates. One consideration is to introduce screening test for 2020 examinations and delay the regular conduct of the examinations and other proposal could be to implement screening tests from next year and continue with the CSS 2020 examination as per procedure in vogue. Final decision in this regard will be taken by looking at all the necessary aspects by Federal Public Service Commission and Establishment Division.

Lastly, with regards to the restructuring of FBR, the Chair informed the Committee that there is a lot of hue and cry recently on the new reforms announced by the Government. The Chair further informed that FBR officers have announced a strike which is not desirable and in such scenario, it will become difficult for the government to achieve the ambitious revenue targets. Therefore, he requested the Task Force members to

- Establishment Division to present a detailed proposal for upgradation of Establishment Division into a Human Resource Management Division for the entire federal government. The proposal should include extensive use of ERP software like SAP and Oracle and best practices in the world.

- A small and focused group including Mr. Abdullah Yousef, and Mr. Salman Siddique will meet FBR officers to listen to their observations and assess the situation and present their report to the Chair. Based upon the report and meeting, the chair will brief the PM.

contribute in the preparation of a detailed report that can be presented to the PM on this topic. The committee members Mr. Salman Siddique and Mr. Abdullah Yousaf being former Chairmen FBR can contribute significantly in these reforms.

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<p>Discussion on draft of Government Servants Efficiency and Discipline Rules, 1973</p>	<p>The Establishment Division had submitted a draft on the revision of Government Servants (Efficiency and Discipline) Rules, 1973 to the Task Forces for consideration and comments. Joint Secretary representing the ED started the discussion by first apprising the Committee about the background of the issue. He elaborated that a case of disciplinary action against an officer had been referred to the Prime Minister’s office. However, the case was returned with the observation that the current rules are silent on the clause of “exoneration of an official”. Thereafter the rules were revised and resubmitted to the PMO. The PMO then directed the ED to obtain the comments of the Task Forces on the revised rules.</p> <p>Secretary Training, Government of Sindh observed that the revision of Government Servants (Efficiency and Discipline) Rules, 1973 is a comprehensive exercise. The exercise will only be meaningful if the Committee first revisits and examines the Government Servants (Conduct) Rules 1964. This view was seconded by the rest of the members of the Committee. Mr. Nadeem Ul Haque further observed that there is a need to re-examine the complete set of existing procedures governing the conduct and performance of Civil Servants since most of the rules in place are more than 50 years old. The ED should comprehensively re-examine all relevant rules in this domain and bring revisions considering the best practices adopted by other governments in the world. He further elaborated that there is a need to learn from the practises of corporate sector also in this domain. Madam Roshaneh specifically commented on Section 2 (1) (viii) of the proposed draft and commented that the definition of ‘inefficiency’ has to be further specified. She explained that such definition in rules need to be clarified keeping in view specific performance indicators so that the overall functioning of civil servants can be improved. She also added that specific clauses need to be added in the rules to also cover ‘misappropriation of public money’. The Chair added that since Mr. Salman Akram Raja, who is the designated member of the committee working on this topic, could not attend this meeting therefore the discussion on these rules will be carried forward to the next meeting of the Task Forces. The Chair on the recommendation of the Committee recommended that ED to present a comprehensive proposal including the revision of Conduct rules in the upcoming meetings of the Task Forces.</p>	<ul style="list-style-type: none"> The Committee recommended that Establishment Division would prepare a comprehensive proposal for the revision of all rules governing the performance and conduct of Civils Servants including Government Servants (Efficiency and Discipline) Rules, 1973 and the Government Servants (Conduct) Rules 1964. They further directed the ED to consider international best practices and latest trends in the preparation of the proposal.

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Online Degree Verification and e-Attestation	<p>Mr. Burhan Rasool, member of the committee, made a detailed presentation on his proposal of online verification of degrees of various universities and also e-attestation of educational documents issued by various Boards in the country. He elaborated that on one hand forgery of academic documents is becoming rampant and on the other hand holders of genuine educational documents face a lot of problems during the attestation of various documents. He proposed a simple online database that can maintain the records of all educational documents issued by various degree and academic qualification issuing authorities. The Committee members appreciated the proposal and recommended that as a first step this system should be shared by the Higher Education Commission (HEC) and if they agree the HEC should direct all universities to provide facilities for the online verification of their degrees. As a second step, the relevant educational boards in all provinces can be directed to also automate their functioning and make available services for online verification of educational documents. The Committee approved the proposal and directed that HEC should be contacted to spearhead this proposal.</p>	<ul style="list-style-type: none"> • The HEC should be advised to direct all degree awarding institutions under its supervision to immediately launch e-verification services for their issued educational documents. Furthermore, the HEC should also maintain and supervise an online system where all degree awarding institutions automatically submit copies of their issued degrees online as soon as the degrees are awarded. • The educational boards in various provinces may be contacted by Ministry of Federal Education and Professional Training/ Inter Provincial Coordination Division (Inter Board Committee) and advised to immediately setup and maintain online verification services for all educational documents, issued by the respective entities.

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<p>Update on implementation of E-Governance reform by MoIT&T and NITB</p>	<p>Representative from NITB and Ministry of Information Technology and Telecommunications gave a detailed update on progress of e-governance reforms in the Federal Government. The ministry explained that they are first trying to address the concerns of Divisions that are on Level 0 of e-governance operations. In this regard they informed the committee that recently out of the 15 divisions with no connectivity, 14 divisions have been made operational and provided with the requisite connectivity.</p> <p>The Ministry submitted again that Rs 1.4 billion pledged towards e-governance reforms by the Cabinet has not been released to date. Recently the finance division had requested all divisions to surrender the amounts allocated to them for purchase of software and hardware. The representative from finance division updated the committee that due to these efforts an amount of 11 million has been surrendered till date. The chair directed the Finance division to immediately transfer this sum to the MoIT&T Division so that they can start the procurement process for the e-governance initiative. The Committee also directed the NITB to start the procurement process once they receive the 11 million transfer and use phased purchase orders to cater for the staggered financial releases by Finance Division. The committee further directed the finance division to advise all divisions housed in Kohsar secretariat to re-appropriate/utilize funds designated for setup/partitioning/connectivity of offices for purchase of equipment urgently needed for the operationalization of e-office software.</p> <p>Following this discussion, the representative from NITB made a presentation about some of other initiatives being launched by them. They showcased software solutions made for task management, smart office and monitoring and evaluation. The Chair and committee appreciated the efforts of NITB and directed Special Secretary Cabinet to invite NITB to make a presentation about the developed system in the Secretaries Committee meeting. The Chair nominated Special Secretary Cabinet as the focal person for the introduction of electronic performance management systems in the Federal Government and directed him to implement the introduction of these reforms.</p> <p>The Committee also discussed the progress on the use of official email addresses by government officials and directed NITB to ensure that the official emails are used for all official correspondences by June, 2020. They further assigned Planning, Development and Reforms Division the responsibility for the introduction of “smart office” software developed by NITB</p>	<ul style="list-style-type: none"> • Finance Division was requested to transfer the surrendered funds by various division in lieu of hardware and software purchases to MoIT&T so that NITB’s work on e-governance can continue unhindered. • MoIT&T was directed to start the purchase process for the e-governance initiate using the transferred amount of 11 million using phased purchase orders. • Finance division to advise all divisions housed in Kohsar secretariat to re-appropriate/utilize funds designated for setup/partitioning/connectivity of offices for purchase of equipment urgently needed for the operationalization of e-office software. • Special Secretary Cabinet was nominated as the focal person for the introduction of electronic performance management systems in the Federal Government in collaboration with NITB • Special Secretary Cabinet was directed to invite NITB to make a presentation about the developed system in the Secretaries Committee meeting. • Planning, Development and Reforms Division was assigned the responsibility for the introduction of “smart office” software developed by NITB and promote its usage in the federal secretariat.

and promote its usage in the federal secretariat. The software will improve the government functioning at all levels.

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<p>Section 42 Companies: Experiment in Modernizing Government by Dr. Ejaz Nabi</p>	<p>Dr. Ijaz Nabi, a member of the Task Force, made an elaborate presentation on the incorporation and use of Section 42 Companies in the public sector with specific focus on Punjab. He elaborated that during the last decade the number of public sector companies increased exponentially and currently more than 70 such organizations are functional. This is a recent trend and was non-existent before the 2000s. He outlined the various reasons that necessitate the formation of such companies to deliver public services. The ideas were supported by Mr. Salaman Siddiq who while serving in the Government of Punjab was involved in the setup of several such companies. Dr. Ijaz Nabi further elaborated that unfortunately during the last few years such companies received huge criticism which was never backed by any data. He informed the committee that recently Mr. Salman Shah who is working Government of Punjab has initiated a thorough exercise to comprehensively evaluate the performance results of all section 42 company's setup in the province. This exercise will address most of the concerns about such companies. Dr. Nabi then talked about the excellent performance two Section 42 companies in Punjab (i) Punjab Skill Development Fund (PSDF) (ii) Punjab Population Initiative Fund (PPIF) He explained that the PSDF had done a phenomenal job since its formation in 2011 and has received international acknowledgement for its achievement. The fund is continuing to provide excellent service in the domain of vocational and skill trainings all over Punjab. Committee members appreciated the work done by PSDF. Mr Asad Ali Shah further commented that this section 42 companies model is a good model to adopt in improving the overall functioning of all tiers of government. Dr. Nabi further explained that PPIF on the other hand is a recent initiative and has done some good work lately in the critically important area of population welfare services. However due to the change of the government it has not been receiving the due attention. Dr. Nabi requested the Chair to coordinate between the Ministry of Health in the Federal Government and PPIF so that its activities can be enhanced. The Chair agreed to the proposal.</p>	<ul style="list-style-type: none"> • The Chair will organize a meeting and briefing by PPIF to Ministry of Health in the Federal Government.

The Chair ended the meeting with a vote of thanks. The next date of the meeting will be communicated in due time.