

MINUTES OF THE 23RD MEETING OF THE IMPLEMENTATION COMMITTEE
FOR REORGANIZING THE FEDERAL GOVERNMENT
HELD ON 06-02-2020

The 23rd meeting of the Implementation Committee was held on 06-02-2020 at 10:00 a.m. in Institutional Reforms Cell (IRC), the P.M. Office. It was chaired by Dr. Ishrat Husain, Advisor to the Prime Minister on Institutional Reforms and Austerity. The list of the participants is at **Annex-I**. The agenda of the meeting was, as under: -

- I. Briefing on the status of vacancy positions of heads of Public Sector Entities.
- II. Briefing by Finance Division on the list of existing PAOs and procedure for creation of more PAOs in the light of IRC report.
- III. Views and Comments on granting power of PAOs to the heads of PTV, Pakistan Broadcasting Corporation, PIA, WAPDA and PEPCO.

Agenda Item No.I Briefing on the status of vacancy positions of heads of Public Sector Entities

2. The exhaustive discussion on the agenda was deferred. However, the representative of Petroleum Division informed that MD/CEO of OGDCL has been appointed and for Pakistan State Oil Company Limited (PSOCL), Pakistan Petroleum Limited (PPL), SNGPL, SSGCL and Pakistan Mineral Department Corporation (PMDC), the recruitment of heads is in active process. Hopefully, it will be completed within 6 or 7 weeks and in this way 70 to 80 percent of vacant posts will be filled. He further stated that the reason for delay was the non-formation of the respective BOD.

Agenda Item No.II Briefing by Finance Division on the list of existing PAOs and procedure for creation of more PAOs in the light of IRC report

3. The representative of the Ministry showed the list of PAOs of the Ministries / Divisions (**Annex-II**). In response to the query by the Chair as what was criterion of granting status of PAO to the head of Autonomous Bodies, the representative stated that position of pension fund, service perks and privileges and status of the outstanding liabilities are taken into account. The Committee discussed the matter in detail.

Agenda Item No.III Views and Comments on granting power of PAOs to the heads of PTV, Pakistan Broadcasting Corporation, PIA, WAPDA and PEPCO

4. The representative of the M/o Water Resources stated that the consensus of the higher officials of the WAPDA is that PAO status may remain with the Secretary, Water Resources as per present system. The Committee showed their strong conviction for separating execution and oversight. They further suggested that Policy Board should be at the top of the hierarchy and it should have no executive powers. Moreover, the members of the policy board will be non-official, under the Chairman. The officials who would manage the operations/ affairs of WAPDA will be appointed on merit. The representative stated that for this, they have to amend the WAPDA Act. The Committee made it further clear that audit and appointment of top executive positions will also be supervised by the board. The underlying rationale is that accountability should be clearly defined. The Chair made it quite clear that efficiency can be ensured only when policy, regulation and execution are separate. The representative of the Ministry of Information and Broadcasting while referring to Cabinet Decision regarding PTV stated that role of the Ministry has been delimited. He viewed that control of the administrative Ministry would help the organization to perform better.

5. The Committee commented that the Ministry will control the organization through policy directives and performance contracts. The Chair further invited the attention of all the representatives to para 6 of **Annex-1** of the Task Force Report. It reads as under: -

The Boards of Autonomous Bodies would have appropriate representation from the Federal Government and these representatives should be empowered to convey the stated policy, position or stance of the Federal Government at the Board meetings, articulate the views on behalf of the Federal Government and fully participate in the deliberations of the Board. In cases where the Federal Government has to make financial commitments a senior officer of the Ministry of Finance of the status not less than Grade-21 should be member of the Board. He should be authorized, prior to the meetings, to take positions on behalf of the Federal Government provided all papers for discussion at the Board meeting are received at least 15 days prior to the meeting while those requiring budgetary allocations at least one month in advance. In case where the

entire or partial expenditure is borne by the Government the representative of the Ministry of Finance on the Board would carry veto powers in matters that commit or create future financial liabilities for the Federal Government. No references should be made to the Ministry after the Board's decision except in the matters of budgetary allocations or approval of development schemes to the Ministries. The Board, can however, appeal to the Ministry of Finance against the decision of their representative on the Board. The normal procedure prescribed by the Government for budget submissions and allocations and processing of development schemes will be followed by the ABs only if they are seeking subsidies, grants, loans, equity injection grant-in-aid, financial relief or guarantees or other types of financial assistance from the Government. In case they are using their own financial resources the Board of Directors will have the final authority. The audit of the ABs will be carried out both by the external auditors as well as the Auditor General of Pakistan. For the purposes of the reports of AG and for appearances before the Public Accounts Committee (PAC) the head of the AB will be fully accountable. He/she will serve as the Principal Accounting Officer of the body he/she is heading.

Chair opined that strong regulatory body, an effective Board of Directors and clear policy directive and ensuring their execution from an interlinked chain of corporate good governance.

6. The representative of Power Division stated that PEPCO acts a link between NEPRA and DISCOs. Therefore, by virtue of its function, conferring the status of PAO to its CEO is not warranted. In the same way, the status of PAO is not required for MD, NTDC.

7. The representative of Aviation Division stated that PIA is a commercial organization. Therefore, sometimes, the strict observance of PPRA rules becomes an obstacle in the smooth functioning. The Committee while endorsing the suggestion of the representative stated that for such organization a different model is required. The Committee desired that before taking any decision, PPRA be invited to share their restructuring plan with the Committee.

Decisions: -

- i. Public Procurement Regulatory Agency (PPRA) be invited in next meeting to share what amendments they are doing in PPRA rules for facilitating those public sector bodies, which are engaged in commercial activities and have to compete with the private sector.
 - ii. The Committee observed that if PAO status is granted to the executive head of an Autonomous Body, it has to be ensured that the pension liability of the employees of that Autonomous Body should rest with the organization and notwith the administrative Ministry concerned.
 - iii. The Secretaries of the administrative Ministry / Divisions of large corporations and autonomous bodies should decide as, to which of the heads of the organizations should be granted PAO status. DAC can either be chaired by Secretary or PAO (Executive Head) of Autonomous Body, if the Secretary decided so. If Secretary believes that PAO should have DAC, then the presence of representatives of Finance Division and administrative Ministry should be ensured.
8. The meeting ended with a vote of thank by the Chair.

**List of participants of the 23rd Meeting of Implementation Committee
held on 06-02-2020**

- i. Dr. Ishrat Husain, Advisor to the PM on Institutional Reforms & Austerity, Islamabad.
- ii. Mr. Mohammad Shehzad Arbab, Advisor to the PM on Establishment, Islamabad.
- iii. Mr. Shafqat Mahmood, Minister for Federal Education & Professional Training.
- iv. Mr. M. Ashraf, Secretary, M/o Water Resources, Islamabad.
- v. Mr. Akbar Durrani, Secretary, M/o Information & Broadcasting, Islamabad.
- vi. Dr. Safdar Sohail, Special Secretary, Cabinet Division.
- vii. Mr. Waseem Mukhtar, Additional Secretary, Power Division, Islamabad.
- viii. Mr. Aamer Mahmood Hussain, Senior Joint Secretary, Finance Division, Islamabad.
- ix. Mr. Abdul Sattar Khokhar, Senior Joint Secretary, Aviation Division, Islamabad.
- x. Brig.(Retd) Shoaib Taqi, General Manager LA&R/HRD, WAPDA, M/o Water Resources, Islamabad.
- xi. Mr. Sajid Mehmood Qazi, Joint Secretary, M/o Energy Petroleum Division, Islamabad.
- xii. Mrs. Samina Waqar, Director General, Pakistan Broadcasting Corporation, Islamabad.
- xiii. Mr. Muhammad Umer Aziz, Joint Secretary, M/o Law & Justice, Islamabad.
- xiv. Mr. Qamar Zaman, Joint Secretary, Institutional Reforms Cell (IRC).
- xv. Ms. Lubna Said Ghias, Deputy Secretary (Coord).
- xvi. Dr. Amir Hussain, Deputy Secretary, IRC, Prime Minister's Office, Islamabad.
- xvii. Dr. Altamash Janjua, Deputy Secretary, IRC, Prime Minister's Office, Islamabad.